



UMDONI
MUNICIPALITY

ANNUAL REPORT

2007/2008

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UMDONI
MUNICIPALITY

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Vision Umbono

“By 2011, Umdoni Municipality will be synonymous with service delivery excellence, good corporate governance, financial viability and a vibrant local economy delivering services to all its communities in an efficient, effective and economical manner.”

“Ngonyaka wama – 2011, uMkhandlu dolobha waseMdoni uyobe uhamba phambili ngokulethwa kwentuthuko emphakathini, ukuphathwa kahle kwezinhlelo zangaphakathi, ukuphathwa kwezimali ngendlela egculisayo kanye nokusimamiswa komnotho wendawo ngendlela eyongayo negculisayo.”

Mission Inhloso

“Striving to utilise all our resources in a fair and just manner to create a safe, healthy, economically vibrant and participative community enjoying quality services.

“Ukuzinikela ukusebenzisa izinsiza kusebenza ezikhona ngendlela enobulungiswa neyamukelekayo ukuze sigcine indawo yethu ihlanzekile, inomnotho osimeme nomphakathi owakhele uMkhandlu dolobha ukwazi ukuthola izinsiza ezisezingeni elamukelekayo.



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The following is a list of acronyms that have been used in this Annual Report.

ABET	Adult Basic Education and Training
ACDP	African Christian Democratic Party
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
CBO	Community Based Organisation
CLR	Councillor
CMIP	Consolidated Municipal Infrastructure Programme
DA	Democratic Alliance
DAEA	Department of Agriculture and Environmental Affairs
DBSA	Development Bank of Southern Africa
DFA	Development Facilitation Act
DLGTA	Department of Local; Government and Traditional Affairs
DORA	Division of Revenue Act
DM	District Municipality
DME	Department of Minerals and Energy
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EHO	Environmental Health Officer
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
Exco	Executive Committee
FBE	Free Basic Electricity
FBS	Free Basic Service
GAMAP	Generally Accepted Municipal Accounting Practices
GIS	Geographical Information System
GRAP	Generally Recognised Accounting Practice
HOD	Head of Department
IDP	Integrated Development Plan(ning)
IFP	Inkatha Freedom Party
IGR	Intergovernmental Relations

ISRDP	Integrated Sustainable Rural Development Programme
IT	Information Technology
JOC	Joint Operations Centre
KPI	Key Performance Indicator
KWANALOGA	KwaZulu-Natal Local Government Association
LED	Local Economic Development
LGSETA	Local Government Sector, Education Training Authority
LM	Local Municipality
LUMS	Land Usage Management System
MEC	Member of the Executive Committee
MF	Minority Front
MFMA	Municipal Finance Management Act (Act No 56 of 2003)
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPCC	Multi Purpose Community Centre
NGO	Non-Governmental Organisation
PDI	Previously Disadvantaged Individual
PHC	Primary Health Care
PMS	Performance Management System
PPP	Private Public Partnership
SALGA	A South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
UBC	Umdoni Business Chamber
WSDP	Water Services Development Plan

Produced for the Umdoni Municipality by



Special thanks to the Office of the Auditor-General
and the Audit Committee Chairperson for their assistance.

INTRODUCTION & OVERVIEW

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Mayor's Foreword

It is with humility, joy, satisfaction and some concerns that I present the 2007/2008 Annual Report which documents our collective effort as a Municipality.

During the year under review we committed our Municipality to deal with all service delivery challenges within the parameters of the five (5) key performance areas. Our commitment was recognised when we were cited as one of the best performing municipalities in respect of Municipal Infrastructure Grant (MIG) spending. It is primarily through this programme that we are able to address the lack of infrastructure in our rural areas.

However our single biggest concern remains the provision of basic housing and allied services to the poorest of our communities. We are hopeful that our persistence in this matter will yield results very shortly.

The tidal surges experience on our coastline in 2007 and the floods of June 2008 have brought in their wake a myriad of problems which needs to be unpacked and dealt with as lessons for the future.

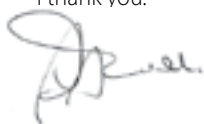
These two natural disasters have brought into sharp focus our ability and capacity to deal with disaster management, a shortcoming which we are very seriously addressing.

Our ability to maintain our audit status and once again achieve an unqualified Audit Report for 2007/2008 is indicative of our administrative capacity underpinned by financial and corporate stability. The Audit Report, which is the primary corporate governance indicator, must be used as an analytic tool to deal with identified weaknesses. Our management must be thanked for maintaining this milestone.

I must convey my sincere gratitude to all our Councillors, the Municipal Manager and staff, our NGOs, business and private sector stakeholders, and most importantly all our communities whose guidance and support is paramount in helping us to increase our tempo in respect to service delivery.

Ours is a noble calling to serve all our people, an ideal we must always remain committed to.

I thank you.



COUNCILLOR NH GUMEDE

HER WORSHIP, THE MAYOR



“The purpose of human life is to serve, and to show compassion and the will to help others”

– Albert Schweitzer

Municipal Manager's Foreword

Our third Annual Report documenting our activities for the 2007/2008 financial year sets the scene for a change in strategy in keeping with our five (5) year Local Government Strategic Agenda.

During the past three years much attention and resources have been directed at institutional transformation and capacitation to ensure that the Municipality as a sphere of government is able to deal with the challenges of developmental local government. The Municipality has showed signs of maturity and confidence in the manner in which it discharges its legislative mandates.

The focused attention on our institutional capacity has indeed yielded positive results. We have for the second consecutive year achieved an Unqualified Audit Report. Given that the quality of the Audit Report is a benchmark of corporate governance in public administration, we can cautiously conclude that we have attained a measured sense of administrative and financial stability.

The challenge then is for us to guard against complacency and ensure that we have the institutional capacity to ensure our commitment to corporate governance is unwavering. The necessary resources have been made available by Council with much emphasis on capacitation of staff. Under-performance and/or lack of commitment will be a betrayal of our communities' faith in government to deliver services and must accordingly be dealt with swiftly. We are once again grateful to all our stakeholders without whose guidance and assistance this achievement will remain only a dream.

To ensure that the resources directed at institutional transformation yields a positive dividend we must raise the bar on service delivery. To be able to effectively deal with our service delivery challenges we must have the total commitment of all our primary stakeholders. As uncomfortable as it may be we must, if we are to progress, reassess our relationship and engagements with our stakeholders and chart a new course for our future engagements.

Whilst our attempts in communicating with all our stakeholders is still wanting, we have improved from where we were in 2005. We have to develop better competencies in engaging our communities and understanding their needs. Whilst some initiatives and developments are encouraging I remain concerned about the voices of our deep rural communities that seem muted. The role of ward committees as legislated conduits of communication must be utilised to enhance public participation. The training of ward committee members must be prioritised to enable them to efficiently execute their obligations. The mandatory consultative process in the preparation of the Integrated Development Plan (IDP) must result in a credible IDP that is practically implementable.



"I know of no more encouraging fact than the unquestionable ability of man to elevate his life by conscious endeavour"

– Henry David Thoreau

Umdoni Municipality must commit to a process of initiating and maintaining communication channels to ensure dialogue with all our communities.

On the downside our single biggest shortcoming still remains our inability to provide housing for the “poorest of the poor”. Housing and the attendant services and infrastructure is one if not the key component in our quest to create a sustainable human settlement. Together with all other relevant government departments we have committed to “break new ground” in dealing with the eradication of slums in Umzinto. It is hoped that our efforts will very shortly yield success.

The issue of Supply Chain Management is a very sensitive and emotional subject. The perceptions generated around this matter are largely occasioned by lack of information or emotions arising out of unsuccessful bids. However we must be mindful that within the Municipality this is the most fertile environment for irregular and unlawful actions. We must commit to a process of interacting with our service providers to ensure that all requirements are fully understood and complied with. We must also be mindful that the new entrants into the business world will need some special attention to be competitive and we must with our partners in government capacitate them to compete successfully.

This report presents our collective effort as a Municipality. It needs to be judged against the attainment of service delivery indicators in our quest to create a better life for all our people. Whilst in some areas the commitments to achieve higher levels of satisfaction in service delivery is evident, the reality of having to deal with very mediocre performance or even non-performance is disconcerting.

We must acknowledge that the work ahead is much harder than that which we have achieved. To meet these new challenges we need a new cadre of committed and disciplined employees with a redirected perspective to serve our communities. During the June 2008 flood disaster we were overwhelmed and humbled by both our staff and communities in the way that they mobilised to deal with the devastation and damage. If the human spirit and work ethic witnessed during the disaster relief efforts could be a daily feature at Umdoni Municipality, no challenge will be insurmountable.

I am also very pleased and encouraged by the oversight and guidance exercised over the governance of our Municipality. Her Worship the Mayor, Deputy Mayor, Speaker, Executive Committee and entire Council have provided much political leadership in executing our mandates and dealing with resultant challenges.

The Management and staff also must be acknowledged for the times that the work performed was of acceptable standards.

The guidance and support offered to us by all role-players and stakeholders must be acknowledged with a sense of humility and appreciation.

Our involvement in the local sphere of government is in response to a calling to improve the lives of all our people for the better, a calling that cannot be compromised.

I thank you.



DD NAIDOO
MUNICIPAL MANAGER



Report of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2008.

1. Audit Committee Members and Attendance

In terms of the Municipal Finance Management Act (MFMA) and the Umdoni Municipality's Audit Charter, the Audit Committee must consist of five members, three of whom must be external independent members. None of the members may be Councillors.

The Audit Committee consists of the members listed hereunder and meets at least four times per annum as per its approved Charter. During the year under review three meetings were held.

Member	Number of meetings attended
Mr Anil Ramnath (Chairperson) ^A	3/3
Mr David Parry ^A	3/3
Mr Silas Hlophe ^A	2/3
Mr DD Naidoo ^B	3/3
Mrs GN Mavundla ^C	1/3



Anil Ramnath, Chairperson of the Umdoni Municipality Audit Committee

^A External member

^B Municipal Manager

^C General Manager: Corporate Services

2. Audit Committee's Responsibilities

The Audit Committee's responsibilities are outlined in Section 166(2)(b) of the Municipal Finance Management Act (No 56 of 2003). The Audit Committee has adopted appropriate formal Terms of Reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

A summary of the Audit Committee's responsibilities in terms of the foregoing Act and its Charter is that it is responsible for, amongst other things, the following:

Auditors and external audit

Discuss and review with external auditors, inter alia:

- the nature and scope of the audit function;
- agreeing to the timing and nature of reports from the external auditors;
- considering any problems identified in the Municipality as a going concern;
- review the Auditor-General's management letter and management response; and
- meeting the Auditor-General at least annually to ensure that there are no unresolved issues of concern.

Annual Financial Statements

- Review and discuss the unaudited annual financial statements with the Accounting Officer prior to presentation of the annual financial statements for audit together with recommendations, if any, regarding amendments to the said statements;
- Review and discuss with the Auditor-General and the Accounting Officer, the audited annual financial statement to be included in the Annual Report;
- Review significant adjustments resulting from the audit;
- Review effectiveness of the internal audit;
- Review risk areas of the operations to be covered in the scope of the internal and external audits; and
- Review the adequacy, reliability and accuracy of the financial information provided to Management and other users of such information.

Performance Management

- Review of the quarterly reports submitted by internal audit on performance measurement;
- Review the performance management system ensuring functionality thereof and compliance with the Act;
- Focus on economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators; and
- Reporting on the outcomes of its review and focus areas to the Council, at least twice per annum;

Internal control and internal audit

The monitoring and supervising of the effective function of the internal audit, including:

- evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;
- review the effectiveness of the internal controls and to consider the most appropriate system for the effective operation of its business; and
- initiating investigations within its scope e.g. employee fraud, misconduct or conflict of interest.

Ethics

- Reviewing the effectiveness of mechanisms for the identification and reporting of:
 - any material violations of ethical conduct of Councillors and municipal staff;
 - compliance with laws and regulations; and
 - environmental and social issues.
- Compliance
- Carrying out investigations into financial affairs as Council may request.
- Reviewing the effectiveness of mechanisms for the identification and reporting of:
 - compliance with laws and regulations; and
 - the findings of regulatory bodies or audit observations.

The Audit Committee is satisfied that it has complied with its responsibilities and has discharged them properly and efficiently.

3. The Effectiveness of Internal Controls

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, the matters of emphasis and management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported.

4. The Quality In Year Management and Monthly/ Quarterly Report Submitted in Terms of the MFMA

The Audit Committee has not received and reviewed certain performance management reports and is unable to comment on the content and quality of these monthly and quarterly reports.

Except for the foregoing reports, the Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

5. Internal Audit Function

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following

is a list of projects undertaken by Internal Audit, arising from the risk assessment:

- Financial Statement Close Process
- Information Technology (IT) Review
- Order to Cash Review
- Asset Management
- MFMA Compliance Review
- Performance Management System Review 1 & 2 (six-monthly reviews)

At year end, two assignments were in progress and one assignment was postponed due to disaster management by the Municipality.

The Audit Committee is, however, satisfied with the performance of the Internal Audit Function.

6. Evaluation of Annual Financial Statements

The Audit Committee has:

- reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the Annual Report;
- reviewed the Auditor-General's management letter and management responses;
- reviewed the accounting policies and practices;
- evaluated the audited annual financial statements to be included in the Annual Report and, based on the information provided to the Audit Committee, considered that the said statements comply in all material respects with the requirements of the MFMA and Treasury Regulations, as well as South African Statements of Generally Accepted Accounting Practice (GAAP) and certain statements of Generally Recognised Accounting Practice (GRAP) and statements of Generally Accepted Municipal Accounting Practice (GAMAP); and
- reviewed the particulars of the management action plan in response to the issues raised by the Auditor-General in his report.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Audit Committee also notes the matters raised under the heading 'Other Matters' as well as the non-compliance with regulatory requirements under the heading 'Audit findings (Performance information)' in the Report of the Auditor-General.

We also note the particulars of the management action plan in response to the issues raised by the Auditor-General in his report.

7. Appreciation

I would like to thank my colleagues for making themselves available to serve on this Committee and for the significant contributions that they have made.

As an Audit Committee, we rely to a great extent on the Manager: Internal Audit and her staff in the Internal Audit Department for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at Umdoni Municipality. We are indebted to them for their efficient service and assistance.

We are also grateful to the Municipal Manager, the Auditor-General, and all other invitees to our meetings, including the external service providers, all of whom provided invaluable information to the Committee.



Mr Anil Ramnath

Chairperson: Umdoni Municipality Audit Committee

Overview of the Municipality

Umdoni Municipality is located in the Ugu District and covers an area of approximately 238 square kilometres. The coastline stretches approximately 40km and it is approximately 50km from the city of Durban and 65km from Port Shepstone on the South Coast.

Umdoni Municipality can be divided into three major land uses, i.e. commercial agriculture, traditional authority areas (located to the north of the Municipal area) and coastal urban nodes which include Scottburgh, Park Rynie, Kelso, Pennington, Bazley, Ifafa Beach, Mtwalume and the town of Umzinto.

The Municipality is made up of nine wards as reflected hereunder:

Ward 1 – Amahlongwa

Ward 2 – Amandawe

Ward 3 – Umzinto/Ghandinagar/Shayamoya and Alexandra

Ward 4 – Park Rynie/Amandawe

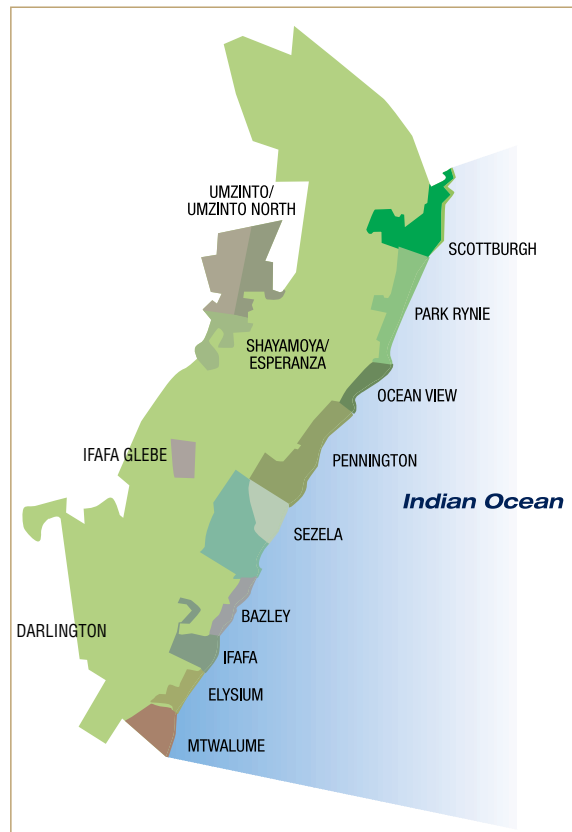
Ward 5 – Scottburgh/Amandawe

Ward 6 – Umzinto/Hazelwood/Asoka Heights

Ward 7 – Pennington/Sezela/Ifafa/Mtwalume

Ward 8 – Malangeni/Espanza

Ward 9 – Malangeni



The N2 connects the South Coast to the national road network.



Scottburgh is a vibrant holiday destination for both the family and adventure seekers and the area was initially developed by adventurous settlers who wandered down the coast from Durban, exploring the coastline and the hinterland. The climate is ideal for sugarcane growing and the tradition of cane farming continues in the area to this day.

Local lore has it that the Mpambanyoni River which runs through Scottburgh was named by King Shaka of the Zulus. Having rested beside the river with a regiment of his soldiers, the warrior king expressed his amazement that the myriad of birds on the banks could actually find their nests. Hence the name 'Mpambanyoni' – the confusion of birds.

Aliwal Shoal is named after the barque Aliwal which sank there in 1849 and it is a world renowned site which offers some of the most spectacular diving, fishing, shark and whale watching in the southern hemisphere, and is one of the top ten dive sites in the world. Aliwal Shoal is a proclaimed marine protected area which effectively combines conservation with tourism, as in the case of our National Parks.

The area boasts several golf courses, beautiful bathing beaches, nature reserves and the fabulous Croc-world which is home to a family of Nile crocodiles, which can be viewed from the reassuring safety of a series of walkways.

One of the biggest tourist attractions on our coast line is the annual sardine run which is accurately described as "The greatest shoal on earth". The sardine run is an annual phenomenon in which a huge shoal of sardines leave the West Coast of Africa to follow the cold ocean current that flows up the South Coast of KwaZulu-Natal during the winter months.

Billions of small silver fish follow the current, which is rich in plankton, as it flows up the South Coast to set the stage for one of the most incredible marine spectacles ever seen in the world.

Following the huge shoal of sardines in this amazing ocean extravaganza are over 50 000 common and bottlenose dolphins, thousands of sharks, shoals of different species of game fish, seals and tens of thousands of sea birds all competing for nature's bounty in the warm Indian Ocean off the coast of South Africa.

In an amazing spectacle of combined hunting skills, copper sharks and dolphins team up by herding sections of the shoal closer to the surface, making it easier for seabirds to plunge in and take their share.

Also forming part of the commotion in the ocean are hundreds of humpback whales who salute the ocean extravaganza by lifting their large tails as they move up the coast during the winter migration.



Fishermen and members of the community during the Sardine Run.

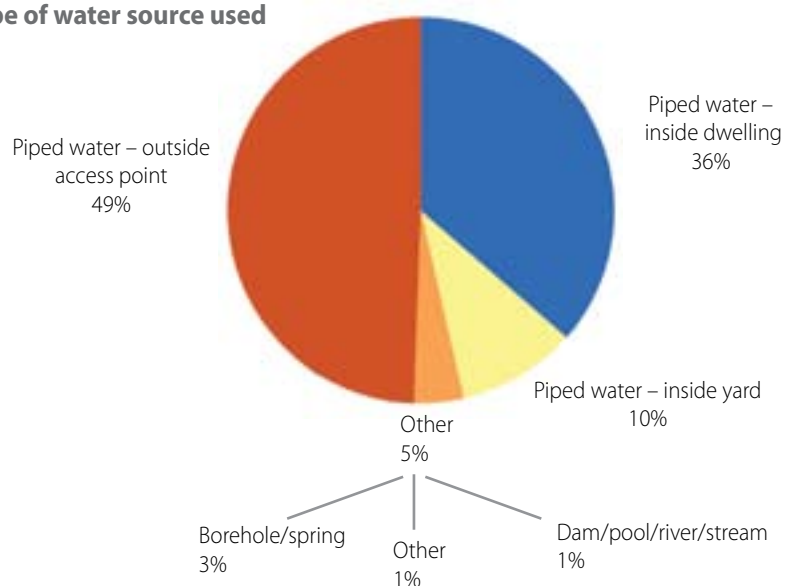
According to Statistics South Africa and based on the Community Survey 2007, Umdoni Municipality has a total population 74 437 (which makes up 10% of the District Municipality). The Independent Electoral Commission records indicate that there are 31 227 Umdoni citizens who are registered in the voters roll.

Other statistics relating to the Umdoni Municipal area which were extracted from the Statistics SA Community Survey Data of 2007 are as follows:

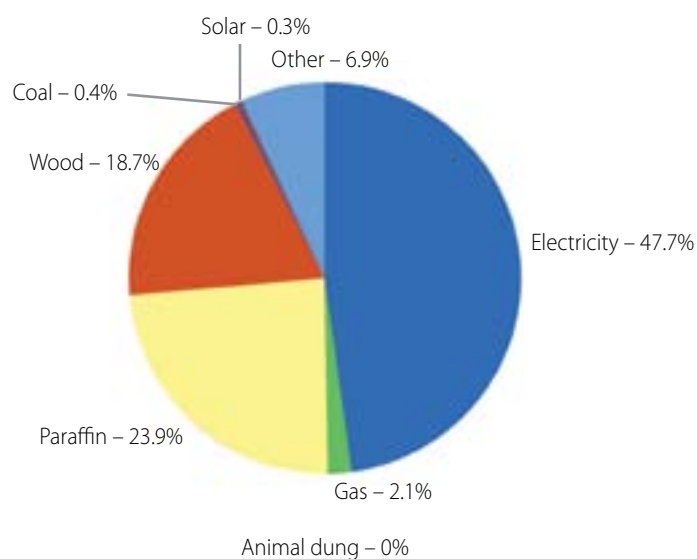
No. of Households in Umdoni Area	16 383
Percentage of persons by gender	
Males	49.1%
Females	50.9%
Percentage of persons by population group	
Black	81.5%
Coloured	1.2%
Indian or Asian	10.6%
White	6.7%
Percentage of population by age group	
Age 0-14	30.3%
Age 15-64	63.9%
Age 65+	5.8%
Percentage of type of toilet facility per household	
Flush toilet	55.7%
Pit toilet	32.6%
Chemical or dry	4.8%
None	6.9%
Percentage of households by tenure status	
Owned and fully paid	55.7%
Owned, not paid off	10.1%
Rented	15.4%
Occupied rent free	18.3%
Other	0.5%
% Type of energy used for lighting per household	
Electricity	60.5%
Gas	0.3%
Paraffin	6.4%
Candles	32.6%
Solar	0.0%
Other	0.2%
Main type of energy used for cooking	
Electricity	51.0%
Gas	4.1%
Paraffin	35.9%
Wood	8.7%
Coal	0.0%
Animal dung	0.1%
Solar	0.0%
Other	0.2%
Households by type of main dwellings	
Formal	69.3%
Traditional	24.4%
Informal	5.1%
Other	1.2%

Main source of water	
Piped water – inside dwelling	36.1%
Piped water – Inside yard	9.5%
Piped water – outside access point	50.0%
SUB TOTAL	95.6%
Borehole/spring	2.6%
Dam/pool/river/stream	0.9%
Other	0.9%

Type of water source used



Main energy type used for heating



Key Features of the Local Economic Development

The following sections outline the basic goals that the Umdoni LED Strategy aims to address. The section below outlines the programmes and projects that Umdoni has implemented to support LED in Umdoni Municipality.

Tourism Sector Support

Umdoni Municipality has developed a Tourism Sector Strategy and a marketing plan that endorses and fosters investment into tourism in the Umdoni area. The tourism sector plan analysed the status quo of the Umdoni Tourism Sector, identified the products that required rehabilitation and recommended interventions that will stimulate tourism in the Umdoni area.

The marketing plan investigated various marketing instruments that Umdoni Municipality could utilise to best market the area, not only locally but abroad as well. Strategic partnerships have been established to boost marketing of the area, e.g. partnerships with KZN Wildlife, Department of Arts, Culture and Tourism, and the private sector – e.g. Three Cities Group.

The products that were developed along with the Umdoni Tourism Strategy are:

- Umdoni Tourism Map
- Umdoni GIS database
- Umdoni Marketing Plan
- Five conceptual business plans of prioritised projects
 - Rehabilitation of existing crafts centre
 - Relocation of tourism office/museum and possibly the existing office
 - Rehabilitation of TC Robertson Nature Reserve
 - Updating of the tourism database
 - Updating of the mapping of Umdoni Tourism.

Agricultural Sector Support

An Agricultural Sector Strategy has been developed for Umdoni Municipality. The strategies analysed the status quo of the Umdoni Agricultural Sector and also identified the sub-sectors that are most dominant in the Sugar Cane Sector. The sub-sectors that were identified as most dominant are sugar cane, cropping and cattle farming. An agricultural strategy indicated a vast number of subsistence farmers that have the potential of being semi-commercial.

Stemming from the strategy, the following projects have been initiated:

1. Umdoni has entered into a Memorandum of Understanding with Sezela Cane Growers and Illovo Pty Ltd to replant 500 hectares of sugar cane in the Umdoni area for small scale growers. A funding model is currently being developed jointly with the Department of Economic Development.
2. R1 million has been committed by the Old Mutual Foundation to support 23 Umdoni communal gardens. The funds will be used to purchase an agricultural tractor, small scale irrigation, adequate fencing and fertiliser and seedlings. Of the 23 communal gardens, there are 271 members in total, of which 97% are women who will benefit from this grant.

Manufacturing Sector Support

Umdoni Municipality has an Industrial Park, but over the years it has been in a dilapidated state. Ugu District Municipality provided assistance to Umdoni Municipality by funding a development plan which looked at all the infrastructure that was needed to rehabilitate this industrial park. The study investigated the following and made a recommendation informed by engineers and planners:

No.	Communal Garden	Members	Ha (Size)
1	Asithembane	11	4.1
2	Sinethemba	9	6.2
3	Siyathuthuka	15	3.5
4	Sizakahle	10	1.6
5	Thuthukani	28	4.4
6	Sizakancane	6	3.5
7	Olwasini	23	1.6
8	Philani	32	2.3
9	Zamani	10	1.6
10	Dubandlela	11	2.5
11	Phezukomkhono	13	1.7
12	Bongumngoma	14	1.8
13	Impilo'entsha	12	1.5
14	Zethembe	7	1.6
15	Qhubekani	18	2.8
16	Thathkhoma	11	1.7
17	Sukumuzenzele	8	3.6
18	Umzomusha	11	2.7
19	Sukumani	6	3.7
20	Lingisa'banye	6	2.5
21	Zizameleni 2	10	1.4
	Total	271	57 ha





- Roads
- Stormwater drains
- Electricity
- Water.

The development plan has been forwarded to various institutions for funding support for implementation of the said plan.

Small, Micro, Medium Enterprises (SMME) Development

The Small Enterprise Development Agency (SEDA) is a business support agency which has finally committed to have a satellite office at the Umdoni Municipality. The SEDA Office will assist emerging SMMEs with business related services, e.g. business plans, marketing plans, promotional materials, due diligence etc.

Learnership and Training

Through the LGSETA, Umdoni Municipality has been afforded the opportunity to provide a learnership for 19 persons on LED (Local Economic Development). The learnership is a one-year programme that will engage the learners with practical experience of the Municipality and its role in the LED.

Training was facilitated by Umdoni Municipality for all the unskilled agricultural cooperatives to be trained in basic skills. The training was facilitated by the Department of Economic Development through the Coastal College. Twenty (20) groups were identified of which five (5) members from each group received training. The training is for a four-week period and all participants will receive an attendance certificate.

Governance

Council Structure Political Leadership



Cllr BA Khanyile
Deputy Mayor – PR (ANC)



Cllr NH Gumede
Her Worship the Mayor – Ward 6 (ANC)

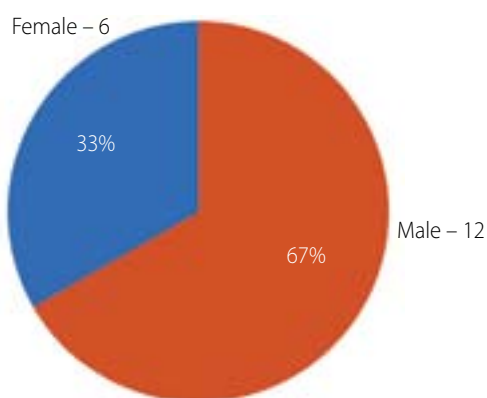


Cllr MO Zama
Speaker – Ward 4 (ANC)

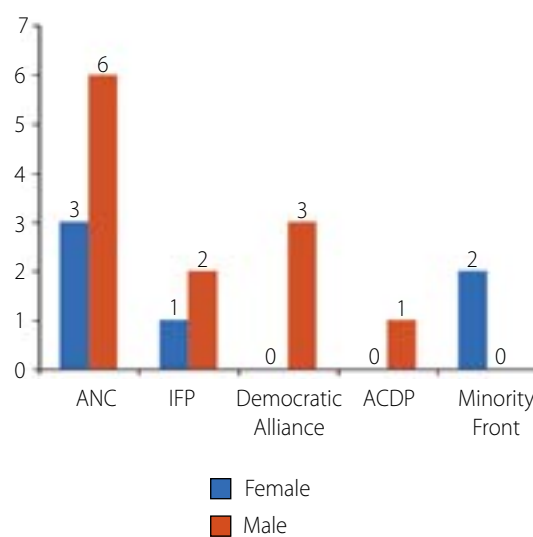
Report on Council and its committees

The Umdoni Municipal Council consists of 18 Councillors, four of which are full time Councillors. The political and gender representation of the Umdoni Council is reflected hereunder:

Council by gender



Council by party affiliation and gender





*Cllr SP Gambushe
PR (IFP) & Exco Member*



*Cllr M Govender
PR (MF)*



*Cllr E Baptie
Ward 5 (DA)*



*Cllr M Moodley
Ward 3 (ANC)*



*Cllr S Bhoola
PR (MF)*



*Cllr G Myende
Ward 8 (ANC)*



*Cllr ES Gumede
Ward 9 (ANC)*



*Cllr R Meyer
Ward 7 (DA)*



*Cllr GN Mbambo
PR (IFP)*



*Cllr RM Ramdial
PR (IFP)*



*Cllr G Govindasamy
PR (ACDP)*



*Cllr D Cele
Ward 1 (ANC)*



*Cllr K Moodley
PR (DA)*



*Cllr PH Ngcobo
Ward 2 (ANC)*



*Cllr P Naidoo
PR (ANC)*

There were two resignations of Councillors during the period of reporting:

- Cllr EA Simpkins (DA), Ward 5 Councillor tendered his resignation with effect from 30 June 2007, and;
- Cllr BD Coward (DA), Ward 7 Councillor tendered her resignation with effect from 30 June 2007.

By-elections were held and the IEC confirmed the results whereafter Councillor EV Baptie (DA) Ward 5 and, Councillor R Meyer (DA), Ward 7 both took the oath of office with effect from 29 August 2007.

Council meetings

The Umdoni Council Meetings take place on the last Wednesday of each month. The meetings commence at 09:30 and are open to the public. The schedule of meetings is advertised annually in the local media. Attendance at the Council Meetings for the period 1 July 2007 to 30 June 2008 was as follows:

Scheduled Council Meeting Total meetings: 12	Total Councillors Present at Meeting	Absent/apology/On official Council Business/Leave of Absence	Total % in Attendance
25 July 2007	15 (of 16) *Note: Cllr E. Baptie & Cllr R. Meyer only took office w.e.f. 29 August 2007	1: Cllr G. Myende	94%
29 August 2007	14 (of 18)	4: Cllr S. Bhoola Cllr S.P. Gambushe Cllr G. Govindasamy Cllr M. Moodley	78%
25 September 2007	17	1: Cllr E.S. Gumede	94%
31 October 2007	13	5: Cllr S. Bhoola Cllr M. Govender Cllr G. Govindasamy Cllr K. Moodley Cllr P.H. Ngcobo	72%
28 November 2007	15	3: Cllr M. Govender Cllr G.N. Mbambo Cllr P. H. Ngcobo	83%
12 December 2007	16	2: Cllr K. Moodley Cllr P.H. Ngcobo	89%
30 January 2008	18	0	100%
27 February 2008	18	0	100%
26 March 2008	16	2: Cllr N.H. Gumede Cllr P.H. Ngcobo	89%
24 April 2008	18	0	100%
28 May 2008	17	1: Cllr M. Govender	94%
25 June 2008	17	1: Cllr S. Bhoola	94%
SPECIAL COUNCIL TOTAL = 2			
15 May 2008	13	5: Cllr S. Bhoola Cllr M. Govender Cllr E.S. Gumede Cllr G.N. Mbambo Cllr P.H. Ngcobo	72%
*** 19 June 2008	8	10	44%

***The Special Council Meeting of 19 June 2008 was inquorate due to the serious floods and the meeting was subsequently declared a 'meeting with Councillors and Representatives'.

Executive Committee Meetings



*Cllr NH Gumede
Mayor & Chairperson of Exco*



*Cllr BA Khanyile
Deputy Mayor*



*Cllr SP Gambushe
Exco member*



*Cllr MO Zama
Ex Officio Member*

The Executive Committee meets twice per month and the meetings are open to the public. The Mayor, Cllr N Gumede chairs the Exco Meetings and the Executive Committee comprises the following Councillors:

- Cllr NH Gumede (Mayor – and Chairperson of Exco)
- Cllr BA Khanyile (Deputy Mayor)
- Cllr SP Gambushe
- Cllr MO Zama (Ex Officio Member)

Attendance at Exco Meetings for the period 1 July 2007 to 30 June 2008 was as follows:

Total Number of Meetings	Cllr NH Gumede (Mayor)	Cllr B.A. Khanyile (Deputy Mayor)	Cllr SP Gambushe	Cllr MO Zama (Ex Officio Member)
18	18	16	15	18
100%	100%	89%	83%	100%

The Umdoni Municipal Council is supported by a Committee System with Portfolio Committees. The Municipality has three Portfolio Committees, namely Community Services, Planning Development and Infrastructure, and the Finance and Administration Committee. These Committees meet once per month and make recommendations to the Executive Committee which assists Exco in policy development and accelerated service delivery.

Portfolio Committees

Community Services Committee

The Community Services Committee is chaired by Councillor SP Gambushe, and the Committee advises and recommends to Exco in respect of the following:

Clinics, Libraries, Beaches, Housing, Protection Services, Community Facilities and Special Programmes.

Members : Cllr SP Gambushe (Chairperson)
Cllr M Govender
Cllr M Moodley
Cllr ES Gumede
Cllr GH Myende
*Cllr K Moodley
(*Member with effect from September 2007)
Cllr D Cele



Cllr SP Gambushe
Chairperson

Members' attendance at the Community Portfolio Committee Meetings for the period 1 July 2007 to 30 June 2008 is as follows:

Total Number of Meetings	9	%
Cllr Gambushe (Chairperson)	7	78%
Cllr M Govender	7	78%
Cllr M Moodley	7	78%
Cllr ES Gumede	6	67%
Cllr GH Myende	9	100%
Cllr K Moodley	8 (of 8)	100%
Cllr D Cele	9	100%

Planning, Development and Infrastructure Committee

The Planning, Development and Infrastructure Committee is chaired by Councillor BA Khanyile. The PD&I Committee advises and recommends to Exco in respect of the following:

Planning: Town Planning and Development Planning, Building Control, and Planning.

Development: IDP (monitoring, evaluation, amendment and review); and Local Economic Development.

Infrastructure: Roads, Stormwater, Parks and Gardens, Maintenance and Building Maintenance, Refuse Collection and Landfill Site.

Members: Cllr BA Khanyile (Chairperson)
Cllr MO Zama
Cllr ES Gumede
Cllr P Naidoo



Cllr BA Khanyile
Chairperson

Cllr R Ramdial

Cllr S Bhoola

* Cllr EV Baptie (**Member with effect from September 2007*)

Members' attendance at the Planning, Development and Infrastructure Committee Meetings for the period 1 July 2007 to 30 June 2008 is as follows:

Total Number of Meetings	9	%
Cllr BA Khanyile (Chairperson)	8	89%
Cllr MO Zama	5	55%
Cllr ES Gumede	6	67%
Cllr P Naidoo	7	78%
Cllr R Ramdial	7	78%
Cllr S Bhoola	6	67%
Cllr EV Baptie	8 (of 8)	100%

Finance and Administration Committee

The Finance and Administration Committee is chaired by Her Worship the Mayor. The F&A Committee advises and recommends to Exco in respect of the following:

Finance: Financial planning, financial policies, financial management and financial reports.

Administration: Bylaws, regulations and associated procedures, leasing, letting and hiring, information technology, legal services, secretariat, municipal offices and accommodation, records system and Human Resources.

Members:

- Cllr NH Gumede (Mayor) – Chairperson of F&A
- Cllr P Naidoo
- Cllr GH Myende
- Cllr M Moodley
- Cllr GN Mbambo
- * Cllr R Meyer
- (**Member with effect from September 2007*)
- Cllr G Govindasamy



*Her Worship the Mayor,
Chairperson*

Members' attendance at the Finance and Administration Committee Meetings for the period 1 July 2007 to 30 June 2008 is as follows:

Total Number of Meetings	8	%
Cllr NH Gumede (Chairperson)	7	87%
Cllr P Naidoo	8	100%
Cllr GH Myende	7	87%
Cllr M Moodley	5	62%
Cllr GN Mbambo	5	62%
*Cllr R Meyer	7 (of 7)	100%
Cllr G Govindasamy	6	75%

Overall attendance of Councillors at Council, Exco and Portfolio Committee Meetings.

Councillor	Council and Special Council	Exco	Finance and Admin	Community Services	PD&I
TOTAL MEETINGS (1 July 2007-30 June 2008)	13	18	8	9	9
ClIr S Bhoola (Mrs)	9 (69%)				6 (67%)
ClIr EV Baptie * (ClIr w.e.f. 29/8/2007)	*12/12 (100%)				8/8 (100%)
ClIr D Cele	13 (100%)				9 (100%)
ClIr SP Gambushe	12 (92%)	15 (83%)		7 (78%)	
ClIr M Govender (Mrs)	9 (69%)			7 (78%)	
ClIr G Govindasamy	11 (85%)		6 (75%)		
ClIr ES Gumede	11 (85%)			6 (67%)	6 (67%)
ClIr NH Gumede (Mrs)	12 (92%)	18 (100%)	7 (87%)		
ClIr BA Khanyile	13 (100%)	16 (89%)			8 (89%)
ClIr GN Mbambo (Mrs)	11 (85%)		5 (62%)		
ClIr K Moodley	11 (85%)			8/8 (100%)	
ClIr M. Moodley (Mrs)	12 (92%)		5 (62%)	7 (78%)	
ClIr GH Myende (Mrs)	12 (92%)		7 (87%)	9 (100%)	
ClIr RJW Meyer *(ClIr w.e.f. 29/8/2007)	*12/12 (100%)		7 of 7		
ClIr P.Naidoo	13 (100%)		8 (100%)		7 (78%)
ClIr PH Ngcobo	8 (61%)				
ClIr RM Ramdial	13 (100%)				7 (78%)
ClIr MO Zama	13 (100%)	18 (100%)			5 (55%)

**** ClIr Baptie and ClIr Meyer took oath of office w.e.f. 29 August 2007 and therefore their attendance at meetings has been determined w.e.f. August and not 1 July (i.e. for 12 meetings and not 13 as is the case with other Councillors).**

Mayoral Programmes

Events

Protection Services Graduation Ceremony

The graduation ceremony was held on 8 February 2008 at Umzinto Town Hall and was followed by Protection Services Awards, which recognised and rewarded service excellence within the Protection Services Unit.

Sod Turning of the Disaster Management Centre

A Sod Turning to mark the construction of Umdoni Disaster Management Centre was held on 16 May 2008. This partnership project was undertaken with the following funding sources:

- Umdoni Municipality: R2 million
- Ugu District Municipality: R2 million
- Municipal Infrastructure Grant (MIG): R5.063 million



Sod Turning at the Disaster Management Centre. From left to right: Deputy Mayor of Umdoni Municipality Cllr BA Khanyile, Mayor of Ugu District Municipality Cllr S Cele, Mayor of Umdoni Municipality Cllr N Gumede, Speaker of Vulamehlo Municipality Cllr T Dube, and Speaker of Umdoni Municipality Cllr O Zama.

Handing over of the Houses for Destitute Families

On 1 June 2008, the KwaZulu-Natal Premier, Mr Sbusiso Ndebele, handed over a project of houses that were built for destitute families, which were mostly child-headed families. The said families were identified during World Aids Day and the hand-over was done in commemoration of the Children's Day Celebrations.



The official handing over of houses for destitute families. From left to right: MEC for Health, KZN Ms PN Nkonyene and KZN Premier Mr S Ndebele.

Youth Day Celebration

As part of the programmes for the Youth Month, Umdoni Municipality held a Youth Day Celebration on 26 June 2008 at uMgwempisi Sportsfield, in Ward 2.



Youth Day Celebrations June 2008 at the uMgwempisi Sportsfield, Ward 2.

Stakeholder Mobilisation

Mayoral Izimbizo

Council resolved to hold a Mayoral Izimbizo as part of National Imbizo Focus Week with the aim to give a report back as well as to obtain feedback from the community on service delivery.

Izimbizo were held from 23-29 October 2007 at Malangeni (Ward 8), KwaCele (Ward 2), Olwasini (Ward 1), and Amandawe (Ward 5).

IDP/Budget Roadshows

The IDP and Budget Road engagements in relation to the 2008/2009 budget were held from 14-16 April 2008 at Amahlongwa, Scottburgh, Amandawe, Umzinto and Malangeni. All comments received were compiled and a report was submitted to Council on 24 April 2008.

Municipal Newsletter

Three publications of a Municipal Newsletter were printed and published on a quarterly basis, with the aim of further improving internal and external communication.

Press Release

A total of 48 articles were published during the year under review in the local press. The articles which were published served as one of the tools of communicating with our communities. These press releases detail milestone achievements in service delivery.



Members of the community at the official opening of the Sezela Library.

Customer Care Vehicle

The customer care vehicle is a mobile office that the Municipality will use to take services to the communities. This vehicle will be used for public consultation meetings which will be planned in conjunction with local governmental departments. This was initiated as part of taking services to the communities and improving on service delivery.



Stakeholders Ongoing Engagements

Council took an initiative to hold numerous stakeholders' engagements with Ratepayer/Civic Associations where these structures were invited to Municipal engagements and events to enhance networking objectives and improve relations with important stakeholders.

Disaster Management

Tidal Surge Project



Scottburgh Swimming Pool.

On 19-20 March 2007, the KwaZulu-Natal coastline bore the brunt of huge swells which, together with an extremely high tide, resulted in the swamping of coastal areas, causing devastating erosion and severe damage to infrastructure at Park Rynie, Scottburgh and Pennington. The South Coast railway line was severely damaged at Mtwalume and Sezela. The huge waves that battered the coastline also inflicted extensive damage to privately owned properties.



Life guard tower at Park Rynie beach.



Park Rynie beach.

This storm started as a frontal low, which passed south along the coast of South Africa on 17 March 2007. This system intensified and rapidly developed into a cut-off with an intensely low central pressure of less than 996 mb. This supported strong pressure gradients, which generated and sustained strong winds off the east coast of South Africa from the morning of 18 March 2007 through to the morning of 19 March 2007. Wind speed and duration, combined with sufficient fetch distance generated large swells off the KwaZulu-Natal coast with a peak wave height of over 13 metres.

The swell produced by this storm struck during the peak equinoctial spring high tide of the Saros (± 18 year) tidal cycle. Added to this, the south-east to south-south-east direction of the swell meant that it approached head-on to the roughly north-north-east, south-south-west orientated coastline of KwaZulu-Natal, resulting in least refraction and dissipation of energy and exposing the coastline to the maximum force of the swell. Consequently, water reached areas that seldom experience marine water inundation. This event caused significant coastal erosion and unprecedented coastal property damage along the KwaZulu-Natal coastline. Low-profile coasts, such as at Scottburgh, experienced severe damage. However, in terms of extent of damage inflicted to infrastructure within the coastal zone, the Umdoni Municipality was relatively well off in comparison to most other coastal Municipalities in KZN. This has been largely due to protection and impact absorbing characteristics offered by the intact dune vegetation in the Admiralty Reserve.

Immediately upon notification of the severity of the storm and its effect on the coastline, the Technical Services department mobilised in conjunction with the Ugu Disaster Management Centre, and in a joint initiative between Ugu District Municipality and the Umdoni Municipality, a highly experienced Specialist Consulting Team were appointed to conduct the assessment of the damage to infrastructure and beaches along the Ugu coastline.



Preston beach.

Following detailed investigations and assessment, it was concluded that in the Umdoni Municipality the areas most severely affected were Park Rynie, Scottburgh, Pennington and Sezela. The total cost of reconstruction of Municipal Infrastructure and the rehabilitation of the coastal environment was estimated at R31 829 085. The assessment of costs were presented to the Provincial and National Disaster Management Centre for funding. Parts of the KwaZulu-Natal coastline, including Umdoni, were subsequently declared a disaster area. During the claim process several areas were identified as requiring urgent attention and in a Council meeting that was held on 25 July 2007, the Council resolved to allocate R1.5 million for emergency rehabilitation work.

Urgent works undertaken as part of phase one of the project included:

- Removal of 1 000 tons rubble from the beaches
- Repairs to stormwater outlets
- Underpinning of the beach kiosk at Park Rynie Beach
- Stabilisation of eroded embankments
- Repairs to ramp and stairway at Preston Beach and Pennington Main Beach
- Resurfacing and installation of a balustrade on the Pier at Rocky Bay
- Removal of the mini train station at Scottburgh Beach
- Installation of gabions alongside the beach road in Sezela.

In January 2008 the Umdoni Municipality received confirmation of funding from National Treasury and in February 2008 the Umdoni Municipality received an amount of R27 075 000 for the Tidal Surge Rehabilitation Project.

Thereafter the Technical Services Department immediately commenced with the development of the scope of work and tender process for Phase 2 of the project, as well as the Environmental Impact Assessment process. The construction contracts were awarded on 29 May 2008, however, the commencement of Phase 2 of the project was delayed due to a delay in receiving authorisation for the project from the Department of Agriculture and Environmental Affairs.



Park Rynie beach kiosk.



Malangeni P197.

June 2008: Flood Disaster

The South Coast of KwaZulu-Natal was hit by severe weather conditions with a very high rainfall and heavy winds on 17-18 June 2008. The storm caused extensive damage throughout the area especially to the road network, houses, bridges, water and electricity networks, and many families were left homeless and destitute.

Approximately 1 200 houses were damaged and many families were housed at community facilities for an interim period. There were three reported deaths as a direct result of the floods.

The Umdoni Municipality called an emergency meeting and an action plan was immediately put into place. Displaced persons were housed temporarily in the various community halls and with the assistance of Ugu District Municipality, Red Cross, NGOs, CBOs, Government departments, faith-based organisations, businesses, social clubs etc immediately began rendering assistance by providing shelter, food, clothing, blankets, health supplies and tents.

Due to the severe damage to numerous roads, access roads and bridges, as well as damage to rail infrastructure, many communities were stranded without any water or shelter. The SANDF assisted by providing a helicopter, and Umdoni Municipality also hired a private helicopter which was used to drop off food, water, clothing and medical supplies daily to those in need.

A Joint Operations Centre (JOC) was also immediately established and staffed by officials of Umdoni, Ugu and Vulamehlo Municipalities. The JOC acted as a resource facility which rendered response for relief to the flood disaster victims. The JOC remained operational for approximately three months.

Emergency repairs to roads, water pipes, drainage and bridges, and a general clean up commenced after an assessment and the extent of the repairs was submitted by the Technical Services Report.

The Municipality lost two vehicles in the floods and four vehicles were damaged.

Engineers were appointed to conduct an assessment and to estimate the cost of repairs. They have estimated the cost to be approximately R200 million.





Umzinto informal settlements.



Club Marina, Ifafa beach.

Although the floods presented a huge challenge to this Municipality, the assistance from the community, neighbouring municipalities, businesses, community members, NGOs and CBOs was overwhelming. The manner in which the officials and emergency personnel responded under trying, difficult and dangerous circumstances and volunteered their assistance unselfishly at all times can certainly be recorded as a major highlight.



Pennington, R102 near Mzimayi River, Ward 7.

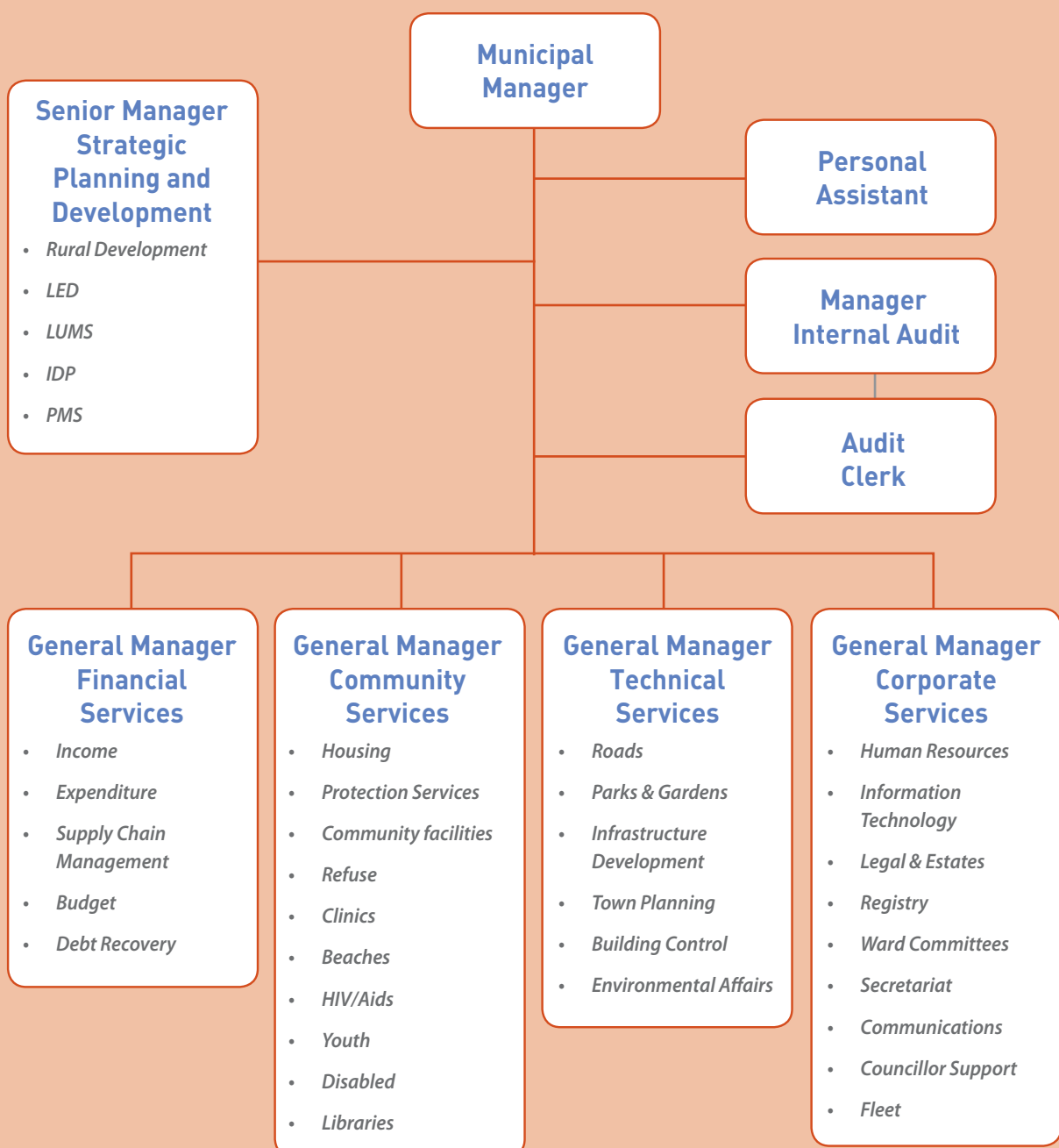
HUMAN RESOURCE & OTHER ORGANISATIONAL MANAGEMENT

The Management Team31

Staffing Information32

Organisational Structure

The following organisational structure was approved by Council on 30 May 2007.



The Management Team



Mr A Nunkumar
General Manager: Financial Services



Mrs G Mavundla
General Manager: Corporate Services



Mrs N Mqadi
General Manager: Community Services



Mr DD Naidoo
Municipal Manager



Mr V Chetty
General Manager: Technical Services



Ms EB Jaca
*Senior Manager: Strategic Planning
& Development*



Mrs N Harisingh
Manager: Internal Audit

Staffing Information

The Human Resources section within the Municipality currently comprises a Human Resources Officer and an Administration Assistant. The following human resources functions were undertaken during the period under review.

Recruitment and Selection

Following the recruitment and selection procedure, a total of 16 key positions were filled within the Municipality for the 2007/2008 financial year, compared to 11 key positions during the 2006/2007 year. Umdoni Municipality is growing significantly each year with a wide calibre of individuals from different cultures and backgrounds.

Key Positions	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Manager Strategic Planning and Development					1				
Manager Development	1								
Manager Legal and Estates					1				
Assistant Manager Supply Chain Management					1				
Assistant Superintendent Traffic	2								
Superintendent Refuse and Cleaning			1						
Human Resources Officer							1		
I.T. Officer			1						
Special Programmes Coordinator	1								
Community Facilities Officer			1						
Librarian								1	
Building Inspectors	1		1					1	
Total	5		4		4		1	2	16

Resignations

There were 25 resignations during the 2007/2008 financial year as compared to 22 resignations the 2006/2007 financial year. The following positions became vacant due to the resignations and were subsequently filled.

The 25 resignations included nine retirements and one medical boarding.

GM Community Services	1
Senior Manager Strategic Planning and Development	1
Manager Development	1
HR Officer	1
Librarian	1
Building Inspectors	2
Supervisor Parks and Gardens	1
Senior Artisan Assistant	1
Professional Nurse	1
Receptionist	2
Clerks	2
Traffic Wardens	2
Life Guards	2
Handyman	1
Security Guard	1
Driver	1
General Workers	4
Total	25

Total Staff Establishment

The total staff establishment within Umdoni Municipality during the period under review was as follows:

Permanent Staff	Temporary Staff	Section 57	Councillors
293	400	5	18

Of the 293 permanent staff:

- 141 are employed in the Technical Services Department which is headed by Mr S Chetty (General Manager Technical Services)
- 104 are employed in the Community Services Department which was headed by Mrs N Mqadi (General Manager Community Services)
- 23 are employed in the Financial Services Department which is headed by Mr A Nunkumar (General Manager Financial Services)
- 19 are employed in the Corporate Services Department which is headed by Mrs GN Mavundla (General Manager Corporate Services)
- Six are employed in the Municipal Managers Department which is headed by Mr DD Naidoo (Municipal Manager).

Staff Breakdown per Functional Area

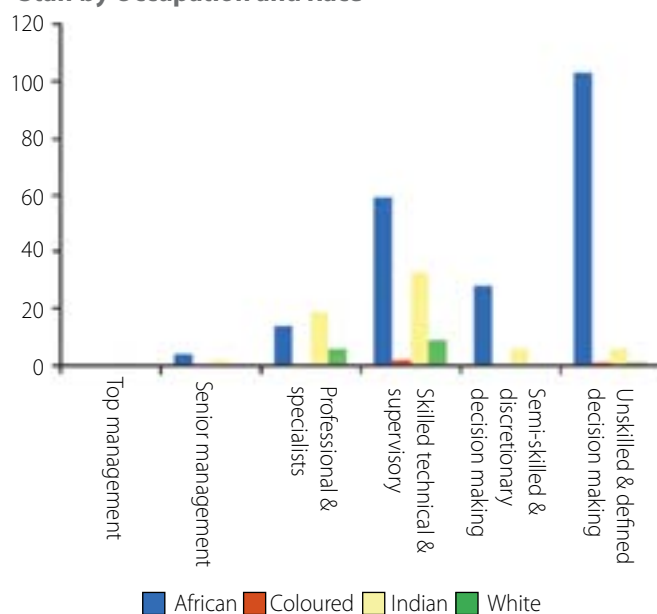
Occupational Categories	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Legislators, senior officials and managers			3		4			
Professionals	1		2		2		3	1
Technicians and associated professionals	1		4	2	4		3	3
Clerks	13	1	10	1	32	1	18	5
Service and sale workers	12		8	1	8		2	1
Craft and related trade workers	15		2					
Plant and machine operators and assemblers	16		4					
Elementary occupations	89	1	5		14		1	
Totals Permanent Staff	147	2	38	4	64	1	27	10
Grand Total	293							

Employment Equity Statistics – A comparison between 2006/2007 and 2007/2008 financial year

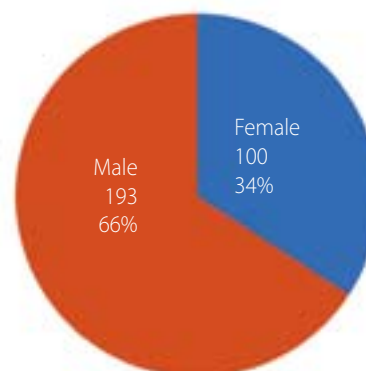
The Employment Equity report is developed and submitted to the Department of Labour on an annual basis at the end of October each year. Below are the statistics of different categories of staff for the financial year 2007/2008.

Occupational Categories	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Top management			1					
Senior management			2		4			
Professionally qualified and experienced specialists	6		10		8		9	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	25	1	15	4	34	1	18	5
Semi-skilled and discretionary decision making	28		6					
Unskilled and defined decision making	89	1	5	1	14		1	
Total Permanent	148	2	39	4	60	1	28	11
Grand Total	293							

Staff by Occupation and Race



Staff by Gender



Trend of Personnel Expenditure

The total salaries budget allocated to Human Resources Department for 2007/2008 was R31 536 709:

- Total employee costs amounted to R34 963 334.

Liabilities

This section includes a reporting on the total number of staff injured on duty as well as CCMA cases that resulted in cost implications to the Municipality.

- For the financial year 2007/2008, the total number of staff who were injured on duty was 11.
- There were two CCMA cases which resulted in cost implications to the Municipality.

Disclosures concerning Councillors, Directors and Senior Officials – for the period 1 July 2007 to 30 June 2008

Note on staff costs

Below follows a summary of employee costs for the 2007/2008 year:

For further details on disclosures, refer to Note 24 of the Annual Financial Statements.

	2008	2007
	R	R
Actual	34 963 344	28 471 962
Budget	31 536 709	27 873 972
Variance	3 426 635	597 990
% Variance	10.9%	2%

Pension Fund for Councillors and Officials

There are three pension funds which staff members are affiliated to, and they are:

- (1) Superannuation: 72 members
- (2) Retirement Fund: 60 members
- (3) Provident Fund: 137 members

All councillors belong to the Municipal Council Pension Fund.

Medical Aid Schemes for Councillors and Officials

Name of Medical Aid Scheme	No. of Staff Members	No. of Councillors
Key Health	23	0
Samwu-Med	21	0
Bonitas	25	6
Parmed	0	1
LA Health	4	0
TOTAL	73	7

Occupational Health and Safety

During the year under review, the Occupational Health and Safety Committee for Umdoni Municipality was established, under the Chairpersonship of Superintendent Fire and Disaster Management. The Committee consists of ten Health and Safety representatives, representing all Council departments proportionately. Monthly meetings of the Health and Safety Committee have been scheduled to ensure compliance with the Occupational Health and Safety Act.

One of the major achievements of the committee was the procurement of first aid kits with supplies for all departments as well as satellite offices of the Municipality.

A Site Inspection Campaign was undertaken by the Committee to the various Council work stations with a view to ensure adherence to safety standards and to make recommendations for improvements, where necessary.

Training interventions of the Health and Safety Committee will be dealt with by the Human Resources department during 2008/2009 financial year, to ensure that the Committee is adequately skilled to perform their function.

Employee Assistance Programme

A large number of employees, particularly the general workers, leave their families in dire hardship in the event of their death. Most family members of the deceased approach the Municipality in the hope of getting some form of financial assistance with the funeral planning, most often, due to these employees not having a funeral plan.

As a result, the Municipality introduced a funeral plan for this category of staff, which was negotiated at affordable premiums. An agreement was secured with the Council bankers, Standard Bank, for a cover of R5 000 at R12.50 per month. Council resolved to subsidise half of this amount as its contribution to the Employee Assistance Programme, with the other half being the employee's contribution. The first phase of roll out will cater for 100 participants and thereafter consideration will be given to other interested employees for the second phase.

Training and Skills Development

Prior to the development of the annual Workplace Skills Plan, a workshop was held with all Sections Heads and Management to enlighten and broaden their understanding of training and skills development as a whole within the Municipality. Following the workshop, the annual Workplace Skills Plan and the annual training report was developed and submitted to the Local Government SETA on 30 June 2008.

During the 2006/2007 financial year a total of 83 staff received training and there was an improvement on this figure to 137 in the 2007/2008 year. The training and development of staff within the Municipality is of the utmost importance as developed staff will ensure better, efficient and effective service delivery.

The following Skills Programmes were undertaken:

Skills Programme	Total Number of Participants Trained
Bid Committee	8
Supply Chain Management	20
Finance for Non-Financial Managers	50
International Computers Drivers License (ICDL)	20
Middle Management	25
ELMDP	5
Finance for Non-Financial Managers (Councillor Training)	9
TOTAL	137

Learners at Malangeni Skills Centre.



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Report of the Auditor-General

To KwaZulu-Natal Provincial Legislature and Council on the Financial Statements and Performance Information of Umdoni Municipality for the Year Ended 30 June 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Umdoni Municipality which comprise the statement of financial position as at 30 June 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 93.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007 (DoRA). This responsibility includes:



- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126 of MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Umdoni Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Opinion

10. In my opinion the financial statements present fairly, in all material respects, the financial position of the Umdoni Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the MFMA and DoRA.

EMPHASIS OF MATTERS

Without qualifying my audit opinion, I draw attention to the following matters:

Amendments to the applicable basis of accounting

11. As set out in accounting policy note 1, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of *General Notice 522 of 2007*, issued in *Government Gazette No. 30013*

of 29 June 2007, which granted the municipality early adoption of the South African Statement of Generally Accepted Accounting Practice, IAS 19 (AC 16): *Employee benefits*.

Restatement of corresponding figures

12. As disclosed in note 37 to the financial statements, the municipality transferred their government grant reserve valued at R44.8 million, to deferred income.
13. The depreciation expense of R4.7 million was also re-allocated correctly against the funding sources of assets as per note 1 to the financial statements.
14. Grant funding of R12.2 million and the corresponding depreciation charge of R1.8 million, incorrectly recognised as revenue in the previous financial year was correctly restated in note 37.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Municipal Finance Management Act

15. The municipality did not comply with section 21(2)(c) which requires full compliance with the Division of Revenue Act, 2007 (DORA). A three year capital budget as required by DORA was not produced.
16. The Service Delivery Budget Implementation Plan was not submitted to council within 14 days of the approval of the budget, as required by section 69 (3) of the municipal finance management act.

Matters of governance

17. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matters of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	✓	
• The audit committee operates in accordance with approved, written terms of reference.	✓	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in Section 166(2) of the MFMA.	✓	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	✓	
• The internal audit function operates in terms of an approved internal audit plan.	✓	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Section 165(2) of the MFMA.		✓
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	✓	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.		✓
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		✓
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	✓	
• The prior year's external audit recommendations have been substantially implemented.	✓	

Matters of governance	Yes	No
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.	✓	
• The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.		✓
• The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.		✓

Unaudited supplementary schedules

18. The supplementary information set out on pages 80 to 93 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.
19. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information set out on pages 94 to 95 does not form part of the financial statements and is presented as additional information. Accordingly, I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

20. I was engaged to review the performance information.

Responsibility of the accounting officer for the performance information

21. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

22. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
23. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
24. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

Performance Information not received

25. The municipality did not produce an annual performance report as required by section 46(1) of the Municipal Systems Act for audit purposes by the date of the audit report.

No quarterly reporting on performance information

26. No quarterly reports on the progress in achieving measurable objectives and targets were prepared by the municipality to facilitate effective performance monitoring, evaluation and corrective action, as required by section 41 of the Municipal System's Act.

OTHER REPORTS

Investigations

27. The investigation to probe the violence damaged housing rehabilitation project is still in progress.

APPRECIATION

28. The assistance rendered by the staff of the Umdoni Municipality during the audit is sincerely appreciated.



Pietermaritzburg
28 November 2008

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2008

	Notes	2008 R	2007 R
CAPITAL EMPLOYED			
Net assets			
Accumulated surplus/(deficit)	1	90 460 581	91 687 400
		90 460 581	91 687 400
Non-current liabilities			
Deferred income	2	58 567 837	52 989 609
Long term liabilities	3	641 133	1 206 972
Provision for Post retirement medical benefits	4	6 487 627	6 033 154
Provision for Long service awards	5	592 444	630 498
Provision for Refuse site rehabilitation	6	2 118 297	1 600 000
		68 407 338	62 460 233
Current liabilities			
Accounts payable	8	9 205 322	7 476 072
Unspent conditional grants and receipts	9	29 263 926	8 322 711
Current portion of deferred income	2	2 204 924	2 204 924
Current portion for liabilities for medical aid benefits	4	244 843	236 707
Current portion of liabilities for long service awards	5	197 639	127 827
Current portion of long term liabilities	3	1 414 268	1 641 501
		42 530 922	20 009 742
TOTAL NET ASSETS AND LIABILITIES		201 398 841	174 157 375
EMPLOYMENT OF CAPITAL			
Assets			
Non-current assets			
Property, plant and equipment	11	132 684 506	114 574 974
Investment property	12	-	-
Investments	13	47 853	43 576
Long term receivables	14	-	5 845
		132 732 358	114 624 395
Current assets			
Inventory	15	52 182	114 299
Consumer receivables	16	26 397 237	26 315 828
Other receivables	17	2 448 667	2 524 675
VAT receivable	18	1 906 280	5 836 744
Short term investments	13	37 143 527	22 312 306
Current portion of long term receivables	14	5 845	3 372
Bank balances and cash	19	712 744	2 425 757
		68 666 483	59 532 981
TOTAL ASSETS		201 398 841	174 157 375

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

		Actual		Budget	
	Notes	2008	2007	2008	2007
		R	R	R	R
REVENUE					
Property rates	21	35 284 891	32 660 289	34 986 328	34 465 346
Property rates – penalties and collection charges		3 425 245	3 560 205	3 011 100	2 506 000
Service charges	22	3 583 159	3 576 109	3 716 918	3 635 500
Rental of facilities and equipment		2 700 757	2 401 468	2 747 336	1 474 240
Interest earned		3 668 692	2 143 203	2 594 940	802 000
Fines		518 473	538 184	876 500	889 300
Licences and permits		4 624 715	3 978 200	4 938 750	3 468 800
Government grants and subsidies	23	16 037 953	11 147 216	12 784 665	10 738 394
Other income		4 857 209	1 257 736	2 338 897	3 193 303
Public contributions, donated and contributed property, plant and equipment		13 521	-	9 763	-
Gains on disposal of property, plant and equipment		-	-	10 000 000	-
TOTAL REVENUE		74 714 615	61 262 610	78 005 197	61 172 883
EXPENDITURE					
Employee related costs	24	34 963 344	28 471 962	31 536 709	27 873 972
Remuneration of councillors	25	3 631 951	3 422 650	3 675 754	3 753 274
Depreciation		5 685 999	4 679 021	3 951 813	4 132 486
Repairs and maintenance		5 264 217	3 080 211	5 666 134	3 375 050
Interest paid	26	207 725	287 384	853 981	888 333
Contracted services		4 626 246	3 271 197	3 868 402	4 114 838
General expenses		18 661 630	12 730 279	16 821 382	12 155 207
Contributions		827 025	9 475 704	11 598 237	4 823 210
Refuse site rehabilitation	6	518 297	128 690	-	-
TOTAL EXPENDITURE		74 386 434	65 547 099	77 972 412	61 116 370
SURPLUS (DEFICIT) FOR THE YEAR		328 181	(4 284 489)	32 785	56 513

Refer to Appendix E (1) for the comparison with the approved budget

STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2008

	Accumulated surplus/ (deficit) R	Total R
2007		
Balance at 1 July 2006	118 531 394	118 531 394
Correction of error	(2 888 719)	(2 888 719)
Restated balance	115 642 675	115 642 675
Restated surplus(deficit)for the year	(4 916 108)	(4 916 108)
Prior year adjustments	(12 010 978)	(12 010 978)
Raising liability for post retirement medical benefits and long service awards	(7 028 189)	(7 028 189)
Balance at 30 June 2007	91 687 400	91 687 400
2008		
Surplus/deficit for the year	408 447	408 447
Assets disposals related to the housing operating account	(1 344 321)	(1 344 321)
Prior year adjustments	(290 946)	(290 946)
Balance at 30 June 2008	90 460 581	90 460 581

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 R	2007 R
Cash generated from (utilised in) operations	28	19 960 307	17 886 673
Interest received		3 668 692	2 143 203
Interest paid		207 725	(287 384)
Net Cash from (utilised in) operating activities		23 836 723	19 742 492
CASH FLOWS FROM (UTILISED IN) INVESTING ACTIVITIES			
Purchase of property plant and equipment		(24 755 757)	(20 511 924)
Proceeds on disposal of property plant and equipment		-	(3 736 327)
(Increase)/decrease in non-current receivables		3 372	44 663
(Increase)/decrease in non-current investments		(4 277)	(282)
Cash (utilised in) generated from investing activities		(24 756 662)	(24 203 870)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(793 072)	(2 028 072)
Increase/(decrease) in current portion of non current liabilities		-	949 625
Increase in liability for retirement and long service gifts		-	6 663 654
Increase in liability for refuse site rehabilitation		-	1 600 000
Net cash generated from/(utilised in) financing activities		(793 072)	7 185 207
NET INCREASE (DECREASE) IN CASH EQUIVALENTS		(1 713 011)	2 723 829
Cash and cash equivalents			
At the beginning of the year		(2 425 757)	(298 072)
At the end of the year		712 744	2 425 757
		(1 713 013)	2 723 829

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of:

- General Notice 991 of 2005 issued in Government Gazette no. 28095 of 15 December 2005; and
- General Notice 992 of 2005 issued in Government Gazette no. 28095 of 7 December 2005.

Accounting policies for material transactions, events or conditions not covered by the abovementioned GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of Government Notice 522 dated 29 June 2007, exempted compliance with certain of the abovementioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

The municipality has elected to early adopt the requirements of IAS 19 post retirement medical benefits and long service awards which was exempted in Government Notice 522 of 29 June 2007.

The Standards comprise of the following:

- GRAP 1 – Presentation of Financial Statements
- GRAP 2 – Cash Flow Statements
- GRAP 3 – Accounting Policies, Changes in Accounting Estimates and Errors
- GAMAP 4 – The Effects of Changes in Foreign Exchange Rates
- GAMAP 6 – Consolidated Financial Statements and Accounting for Controlled Entities
- GAMAP 7 – Accounting for Investments in associates
- GAMAP 8 – Financial Reporting of Interests in Joint Ventures
- GAMAP 9 – Revenue
- GAMAP 12 – Inventories
- GAMAP 17 – Property, Plant and Equipment
- GAMAP 19 – Provisions, Contingent Liabilities and Contingent Assets.

The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below:

PRESENTATION OF CURRENCY

The annual financial statements are presented in South African Rand to the nearest Rand

GOING CONCERN ASSUMPTION

The annual financial statements are prepared on a going concern basis

ACCUMULATED SURPLUS

Included in the accumulated surplus of the municipality, are the following reserves that are maintained in terms of specific requirements:

Capital Replacement Reserve

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal

sources, amounts are transferred from the accumulated surplus to the CRR. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects which have been identified in the Integrated Development Plan.

Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balances on certain funds, created in terms of the erstwhile Local Authorities Ordinance, 1974 (No. 25 of 1974) that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of the directive issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve is equal to the carrying value of the items of property, plant and equipment financed from the former legislated funds.

When items of property, plant and equipment are depreciated, an equivalent amount is transferred from the Capitalisation Reserve to the accumulated surplus/(deficit)

When items of property, plant and equipment are disposed of, the balances in the Capitalisation Reserve relating to such items are transferred to the accumulated surplus/(deficit).

Housing Operating Account

The Housing Operating Account was established in terms of the Housing Act, 1997 (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Operating Account. Housing selling schemes, both complete and in progress at 1 April 1998, were also transferred to the Housing Operating Account. In terms of the said Act, all proceeds from housing developments, including rental income and sales of houses, must be paid into the Housing Operating Account. Monies standing to the credit of this account can only be used to finance housing developments within the municipal area subject to the approval of the Provincial Member of the Executive Committee responsible for housing.

Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with the directive issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

The purpose of this policy is to promote consumer equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful lives of items of property, plant and equipment financed from donations and public contributions.

When items of property, plant and equipment financed from donations and public contributions are disposed of, the balances in the Donations and Public Contributions Reserve relating to such items are transferred to the accumulated surplus/(deficit).

Property, Plant and Equipment

Property, plant and equipment is stated in the annual financial statements at cost less accumulated depreciation except for land and buildings which are revalued. Heritage assets, which are culturally significant resources and

which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite life.

The cost of an item of property, plant and equipment comprises purchase price, import duties, non-refundable purchase taxes and directly attributable costs of bringing the asset to working condition for its intended use, such as site preparation, initial delivery, handling, installation and professional fees.

Where items of property, plant and equipment have been impaired, the carrying values are adjusted by the impairment losses. These losses are recognised as expenses in the period that the impairments are identified except where an impairment reverses a previous revaluation.

Where impaired land and buildings are revalued, the increase in value of land and buildings is recognised as revenue to the extent that it reverses the impairment loss which was previously recognised as an expense.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item cannot be measured at its fair value, its cost will be measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

The costs/revaluations of property, plant and equipment are depreciated using the straight line method over the period of the estimated useful lives of the assets. Depreciation on new acquisitions is charged to the Statement of Financial Performance in the financial year that economic benefits accrue to Council.

The Municipality has an obligation to rehabilitate its landfill site in terms of the permit issued by the Department of Water Affairs and Forestry. Provision is made for this obligation in accordance with the Municipality's accounting policy on non-current provisions - See Accounting policy on provisions.

The annual depreciation rates are based on the estimated useful lives of the assets. Below is an indication of the average useful life of the main categories of assets:

Infrastructure	Years
Roads and paving	30
Pedestrian malls	30
Electricity	20-30
Housing	30
Community	
Buildings	30
Recreational facilities	20-30
Security	5
Other	
Buildings	30
Specialist vehicles	10
Other vehicles	5
Office equipment	3
Furniture and fittings	7-10
Watercraft	15
Bins and containers	5
Specialised plant and equipment	10-15
Other items of plant and equipment	2-5
Landfill sites	15

The estimated useful lives are periodically reviewed in order to adjust them if they have changed.

Items of property, plant and equipment which are acquired at no cost or for a nominal cost is recognised at their fair values.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is immediately written down to its recoverable amount and the impairment loss is charged to the Statement of Financial Performance in the period that they are identified.

In terms of GAMAP 17 the Council has used the transitional provisions to recognise items of Property, Plant and Equipment, which were not previously recognised, at their fair values.

INVESTMENT PROPERTY

Investment property, which is property held to earn rental revenue or for capital appreciation, is stated in the annual financial statements at municipal valuation less accumulated depreciation and accumulated impairment losses.

INVESTMENTS

Financial Instruments

Financial instruments, which include unlisted, reciprocal municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks are stated in the annual financial statements at the lower of cost or fair value. No impairments are required as the cost values equate to their cash values.

Where investments have been impaired, the carrying values are adjusted by the impairment losses, which are recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net proceeds on disposal and the carrying amount is charged or credited to the Statement of Financial Performance.

INVENTORIES

Inventories are comprised of consumable stores and finished goods and are stated in the annual financial statements at the lower of average cost, and net realisable value.

Redundant and slow moving inventories are identified and sold by public auction and any gain or loss on disposal is recognised in the Statement of Financial Performance.

ACCOUNTS RECEIVABLE

Accounts receivable are stated in the annual financial statements at the value of billings to consumers/ratepayers, less deductions for rebates granted less a provision for doubtful accounts.

Provision for doubtful accounts is made, based on a review of all outstanding amounts at the financial year end. Contributions to the provision are calculated by analysing specific debts deemed doubtful of recovery, prior year's experience, correspondence with the Council's attorneys, the debt collection policy and management's best estimate of recoveries expressed as a percentage.

Bad debts are written off in the period that they are identified. Amounts that are receivable within one year are classified as current assets.

ACCOUNTS PAYABLE

Accounts payable are stated in the annual financial statements at the amounts due to trade and other creditors for goods or services received. The liabilities are generally settled within a period of 30 Days.

REVENUE RECOGNITION

Revenue from Exchange Transactions

Service charges for refuse removal are raised and recognised on a monthly basis in arrears and are based on the application of the approved tariff to each property that has improvements, the category of property usage and the number of refuse containers on each property regardless of whether or not containers are emptied during the month.

Interest and rentals are recognised on a time proportion basis.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service has been rendered and the fee has been charged or licences and permits have been issued.

Income from agency services is recognised on a monthly basis once the income collected for agents has been quantified and once the terms of the agency agreement have been complied with.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from public contributions is recognised when all the conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items are brought into use. A liability is raised when a public contribution has been received but all the conditions have not been met.

Revenue from Non-exchange Transactions

Revenue from assessment rates is recognised when the legal entitlement arises. Collection charges are recognised when such amounts have been raised and are legally enforceable. Penalty interest is raised on unpaid rates after the due date for payment and is recognised on a time proportion basis.

- Revenue from the collection of spot fines and summonses is recognised when payment is received.
- Donations are recognised when cash is received or when property, plant and equipment is brought into use. Contributions of property, plant and equipment are recognised when the items are acquired.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. A liability is recognised to the extent that the criteria, conditions or obligations have not been met.

Grants and Receipts of a Revenue Nature

Income is transferred to the Statement of Financial Performance as revenue to the extent that the criteria, conditions or obligations have been met. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Grants and Receipts of a Capital Nature

Income from Government Grants whose primary condition is that the municipality should purchase, construct or otherwise acquire non-current assets are recognised as deferred income under non-current liabilities in the Statement of Financial Position to the extent that the criteria, conditions or obligations have been met and is credited to the Statement of Financial Performance on a straight-line basis over the expected useful lives of the related asset.

PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value of the obligation.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

Cash and cash equivalents in the cash flow statement comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

Bank overdrafts are recorded at the current value of the utilisation of approved facilities from the Municipality's bankers. Finance charges on bank overdrafts are expensed as incurred.

UNAUTHORISED EXPENDITURE

Unauthorised expenditure represents expenditure which has been incurred but not budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). Unauthorised expenditure is accounted for in the Statement of Financial Performance as an expense and as revenue where it is subsequently recovered.

IRREGULAR EXPENDITURE

Irregular expenditure excludes unauthorised expenditure and represents expenditure incurred that is contrary to the provisions of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Public Office Bearers Act, 1998 (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure is accounted for in the Statement of Financial Performance as an expense and as revenue when it is subsequently recovered.

FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure represents expenditure that was made in vain and would have been avoided if reasonable care had been exercised. Fruitless and wasteful expenditure is accounted for in the Statement of Financial Performance as an expense and as revenue where it is subsequently recovered.

RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. Contributions are made to the Natal Joint Municipal Pension Fund to fund the obligations for the payment of retirement benefits in accordance with the rules of the three defined benefit funds it administers.

Contributions are charged as an expense in the Statement of Financial Performance in the year that they become payable.

The funds are actuarially valued every three years using the discounted cash flow method. Any deficits identified by the actuary are recovered from participating municipalities in the form of surcharges added to the

Contributions which are charged as an expense in the Statement of Financial Performance in the year that they become payable.

The municipality provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using valuations determined actuarially. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Financial Performance in accordance with IAS 19.

LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition.

BORROWING COSTS

Borrowing costs are recognised in the Statement of Financial Performance in the year in which they become payable.

DEPOSITS

Deposits received by the municipality are in terms of the approved tariff of charges by Council. These mainly relate to the use of community facilities and verge deposits, amongst others

OPERATING LEASES

Where the Lessor retains substantially all the risks and rewards of ownership, lease agreements are classified as operating leases.

Payments made on operating lease agreements are expensed and charged to the Statement of Financial Performance over the period of the lease.

PRIOR YEAR COMPARATIVES

Prior period comparatives are reclassified when the presentation or classification of items in the annual financial statements is amended.

VALUE ADDED TAXATION

The municipality accounts for value added taxation on the cash basis

EVENTS AFTER THE REPORTING DATE

No material events, favourable or unfavourable had occurred between the reporting date and the date of this report.

RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1 ACCUMULATED SURPLUS

The following internal funds and reserves are ring-fenced within the accumulated surplus:

	2008 R	2007 R
• Capital replacement reserve	903 656	903 656
• Capitalisation reserve	13 928 913	11 105 845
• Donations and public contribution reserve	379 743	431 221
• Housing Development Fund	36 609 232	37 873 287
• Accumulated surplus/(deficit) due to the results of operations	38 639 036	41 373 391
Total Accumulated Surplus	90 460 581	91 687 400

The Capital Replacement Reserve is a reserve to finance future capital expenditure.

The Capitalisation Reserve equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation reserves ensures consumer equity and is not backed by cash.

The Donation and Public Contribution Reserve equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Capitalisation reserves ensures consumer equity and is not backed by cash.

The Housing Development Fund contain all proceeds from housing developments, which include rental income and sales of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Analysis of the composition of the Housing Development Fund:

Housing Development Fund:	36 609 232	37 873 286
- Unappropriated Surplus (Loans extinguished by Government on 1 April 1998)	37 579 374	38 843 429
- Prior year loss	(970 143)	(970 143)

The Housing Development Fund is represented by the following assets and liabilities:

- Housing Fixed Assets	18 091 338	19 435 659
- Housing Rental Debtors	8 535 766	8 430 232
- Housing Rental Debtors - In credit	-	(343 916)
- Housing Transfer Costs	-	-
- Investments - External	9 341 121	9 082 709
- Bank and Cash	641 007	1 268 603

Total Housing Development Fund Assets and Liabilities	36 609 232	37 873 286
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The table on the following page illustrates the detail on the movement of internal funds and reserves during the financial period:

	Housing Develop- ment Fund	Capital Replace- ment Reserve	Capitali- sation Reserve	Donations and Public Contri- butions Reserve	Accumu- lated Surplus/ (Deficit) due to results of operations	Total Accumu- lated Surplus /(Deficit)
	R	R	R	R	R	R
2007						
Balance at 1 July 2006	53 454 507	7 708 712	13 080 820	431 221	43 856 134	118 531 394
Correction of error					(2 888 719)	(2 888 719)
Restated Balance	53 454 507	7 708 712	13 080 820	431 221	40 967 415	115 642 675
Deficit for the year	(631 619)				(4 284 489)	(4 916 108)
Transfer to CRR		1 000 000			(1 000 000)	-
Adjustments prior year	(14 949 601)				2 938 623	(12 010 978)
PPE Purchased		(7 805 056)			7 805 056	-
Raising liability for post retirement medical benefits and long service awards					(7 028 189)	(7 028 189)
Offsetting of Depreciation			(1 974 975)		1 974 975	-
Balance at 30 June 2007	37 873 287	903 656	11 105 845	431 221	41 373 391	91 687 400
2008						
Balance at 1 July 2007	37 873 287	903 656	11 105 845	431 221	41 373 391	91 687 400
Surplus/(deficit) for the year	80 266	-	-	-	328 181	408 447
Asset Disposals	(1 344 321)	-	-	-		(1 344 321)
Prior year adjustments			4 396 990	(37 572)	(4 650 363)	(290 946)
Offsetting of Depreciation	-	-	(1 573 922)	(13 905)	1 587 827	-
Balance at 30 June 2008	36 609 232	903 656	13 928 913	379 743	38 639 036	90 460 581

2 DEFERRED INCOME

Assets financed from Government Grants

Sub-total

Less: Current portion transferred to current liabilities (future depreciation for 1 year)

Total Deferred Revenue

The movements in deferred revenue are reconciled as follows:

Balance at beginning of year

Additions during year

Income recognised during year

Balance at end of year

Less: Current portion transferred to current liabilities

Total Deferred Revenue

Deferred Revenue represents capital utilised to construct and acquire capital assets, which was funded from grants received from National and Provincial Government.

3 LONG TERM LIABILITIES

Local stock loan

Long term loans

Annuity loans

Total External loans

Less: Current portion transferred to current liabilities
(Refer to appendix A for more detail)

Total long-term liabilities

4 PROVISION FOR POST RETIREMENT MEDICAL BENEFITS

Post-Employment Health Care Benefit Liability

Total: Post Retirement Medical Aid Benefit Liability

Less: Transfer to Current Provisions

Net Post-Employment Health Care Benefit Liability

	2008 R	2007 R
Assets financed from Government Grants	60 772 761	55 194 533
Sub-total	60 772 761	55 194 533
Less: Current portion transferred to current liabilities (future depreciation for 1 year)	(2 204 924)	(2 204 924)
Total Deferred Revenue	58 567 837	52 989 609
The movements in deferred revenue are reconciled as follows:		
Balance at beginning of year	55 194 533	44 791 872
Additions during year	7 783 152	12 199 042
Income recognised during year	(2 204 924)	(1 796 381)
Balance at end of year	60 772 761	55 194 533
Less: Current portion transferred to current liabilities	(2 204 924)	(2 204 924)
Total Deferred Revenue	58 567 837	52 989 609
Deferred Revenue represents capital utilised to construct and acquire capital assets, which was funded from grants received from National and Provincial Government.		
3 LONG TERM LIABILITIES		
Local stock loan	-	525 000
Long term loans	889 694	922 614
Annuity loans	1 165 707	1 400 859
Total External loans	2 055 401	2 848 473
Less: Current portion transferred to current liabilities (Refer to appendix A for more detail)	(1 414 268)	(1 641 501)
Total long-term liabilities	641 133	1 206 972
4 PROVISION FOR POST RETIREMENT MEDICAL BENEFITS		
Post-Employment Health Care Benefit Liability	6 732 470	6 269 863
Total: Post Retirement Medical Aid Benefit Liability	6 732 470	6 269 863
Less: Transfer to Current Provisions	(244 843)	(236 707)
Net Post-Employment Health Care Benefit Liability	6 487 627	6 033 156

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2008 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post retirement benefits are provided by the municipality.

The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

- In-service members	98	70
- Continuation members	16	16

Total

114 86

The liability in respect of past service has been estimated to be as follows:

- In-service members	6 725 713	3 264 257
- Continuation members	3 232 742	3 005 606

9 958 455 6 269 863

Less: Unrecognised actuarial loss

(3 225 985)
6 732 470 6 269 863

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Global Health
- LA Health
- Samwumed

The future service cost for the ensuing year is established to be R 417 041, whereas the interest-cost for the next year is estimated to be R 1 053 293 (2007: R 196 363 and R 501 589 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	10.71	8.00
Health Care Cost Inflation Rate	9.58	6.50
Net Effective Discount Rate	1.03	1.41
Expected Retirement Age - Females	55	55
Expected Retirement Age - Males	55	55

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	6 732 470	6 269 863
Fair value of plan assets	-	-
	6 732 470	6 269 863
Unrecognised past service cost	-	-
Unrecognised actuarial loss	3 225 985	-
Benefit Liability	9 958 455	6 269 863

The amount recognised in the Statement of Financial Performance are as follows:

Vested past service cost	-	6 269 863
Current service cost	196 363	-
Interest cost	501 589	-
	697 952	6 269 863

The movement in the defined benefit obligation over the year is as follows:

Balance at beginning of year	6 269 863	-
Vested past service cost	-	6 269 863
Current service cost	196 363	-
Interest cost	501 589	-
Benefits paid	(235 345)	-
Actuarial (gain)/loss on the obligation	-	-
Balance at end of year	6 732 470	6 269 863

The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:

Increase

Effect on the aggregate of the current service cost and the interest cost	809 257	240 700
Effect on the defined benefit obligation	11 367 276	7 107 000

Decrease

Effect on the aggregate of the current service cost and the interest cost	607 397	161 700
Effect on the defined benefit obligation	8 786 396	5 571 000

The history of experienced adjustments is as follows:

	2008	2007	2006	2005	2004
Defined benefit obligation	9 957 093	6 269 863	-	-	-
Surplus/deficit of plan	(9 957 093)	(6 269 863)	-	-	-
Experience adjustments on plan liabilities	2 726 378	-	-	-	-

The municipality expects to make a contribution of R1 470 334 (2007: R 697 952) to the defined benefit plans during the next financial year.

5 LONG SERVICE AWARDS AND RETIREMENT GIFTS

Provision for Long Service Awards	790 083	758 326
Total Provision for Long Service Awards	790 083	758 326
Less: Transfer to Current Provisions	(197 639)	(127 828)
Net Long Service Awards liability	592 444	630 498

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Umdoni Municipality). The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2008 may become entitled to in future, based on an actuarial valuation performed at that date.

The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2008 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other long service benefits are provided by the municipality.

The Long Service Awards plans are defined benefit plans. As at year end, 314 employees were eligible for Long Service Awards.

The future service cost for the ensuing year is estimated to be R 139 157, whereas the interest-cost for the next year is estimated to be R 72 915.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	10.85%	8%
Expected Rate of Salary Increase	8.94%	6%
Net Effective Discount Rate	1.75%	1.89%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	790 083	758 326
Fair value of plan assets	-	-
	790 083	758 326
Unrecognised past service cost	-	-
Unrecognised actuarial gain	(19 955)	-
Net liability	770 128	758 326

The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	99 640	-
Interest cost	60 666	-
Actuarial loss	-	-
Vested past service cost	-	758 326
Total included in Employee Related Costs	160 306	758 326

The movement in the defined benefit obligation over the year is as follows:

Balance at beginning of year	758 326	-
Vested past service cost	-	758 326
Current service cost	99 640	-
Interest cost	60 666	-
Benefits paid	(128 549)	-
Actuarial losses recognised	-	-
Balance at end of year	790 083	758 326

The effect of a 1 % movement in the assumed rate of salary inflation is as follows:

Increase		
Effect on the aggregate of the current service cost and the interest cost	168 717	105 226
Effect on the defined benefit obligation	804 000	793 637
Decrease		
Effect on the aggregate of the current service cost and the interest cost	152 639	94 600
Effect on the defined benefit obligation	740 000	725 490

The history of experienced adjustments is as follows:

	2008	2007	2006	2005	2004
Defined benefit obligation	770,849	758,326	-	-	-
Surplus/deficit on plan	(770,849)	(758,326)	-	-	-
Experience adjustments on plan liabilities	(15,428)	-	-	-	-

6 REFUSE SITE REHABILITATION

In terms of the licencing of the landfill refuse sites, Council will incur rehabilitation costs of R2.1 million determined at present value, to restore the sites. Provision has been made for an amount based on the present value of cost.

The costs of rehabilitating the refuse site have been estimated by the Council's consulting engineers who control the operations carried out by the service provider. Council has to submit a rehabilitation plan to the Department of Water Affairs and Forestry six months prior to closing the Site.

Opening balance	1 600 000	1 169 906
Charged to statement of financial performance	518 297	128 690
Charged to accumulated surplus - prior year adjustment	-	301 404
Closing balance	2 118 297	1 600 000

7 RETIREMENT BENEFITS

The Municipality's personnel are members of one of the three Natal Joint Municipal Pension Funds i.e. (Superannuation, Provident and Retirement). The valuator carries out a statutory valuation on a triennial basis and an interim valuation on an annual basis (the 2007 interim has been completed).

The Retirement and Superannuation Funds are defined benefit plans, whereas the Municipal Councillors Fund and the Provident Fund are defined contribution plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer. All of the below mentioned funds are thus accounted for as defined contribution plans in accordance with IAS 19, paragraph 30.

Superannuation

An interim actuarial valuation of the Fund was carried out for the period ending 31 March 2007. The actuarial value of total assets was more (less) than the actuarial value of liabilities for the service of members to that date and for pensioners by:

121 700 000	121 700 000
Made up as follows:	
<i>For service to 31 March 2006</i>	
210 000 000	210 000 000
(88 300 000)	(88 300 000)
49 000 000	49 000 000
The fund did not hold an Investment Reserve at 31 March 2006.	
<i>For service after 31 March 2006</i>	
49 000 000	49 000 000
<i>Conclusion</i>	
The funding level of the Fund improved from 85.8% to 95% (decreased from 97.0% to 85.8%) over the valuation period.	
The actuary is satisfied that the self-reinsurance arrangement is appropriate for the Fund; the asset composition of the Fund is appropriate to the nature of the liabilities; the contributions being paid to the Fund are sufficient to meet the expected cost of future benefits;	
3%	3%
if his recommendation of an additional surcharge of (Total 6%) of members' pensionable emoluments is retained (accepted) by the General Committee at the forthcoming Annual General Meeting, the deficit will be eliminated within two years.	
A recent study undertaken of the expected impact that Aids will have on the Fund shows that although the Fund is fairly well protected in relation to other funds, Aids is likely to result in an increase in the required rate of contribution of members' pensionable emoluments by 2010 of some.	
4%	4%
However, once the deficit in the Fund has been met the excess contributions will meet the increased cost resulting from Aids for the foreseeable future. It is therefore not necessary at this stage to adjust either the benefits or the contributions.	

Provident Fund

The salient features of the Statutory (Interim) Valuation Report on the fund as at 31 March 2006 were that the net market value of the Fund's assets were sufficient to fully cover the members' share account and to provide total reserves of

The total interim rate of bonus credited over the year to members was compound

A further bonus to all members at 30 September 2006 has been approved by the Committee of Management of

Subsequent to the year end, a final bonus to all members at 30 September 2006 has been approved by the Committee of Management of

The actual cost of death benefits and expenses was less than (exceeded) the 3.75% of pensionable emoluments available to meet the same and it is recommended that death benefits be further reduced with effect from 1 July 2005 based on the pre-July 2004 level to the Actuary is satisfied that the asset composition of the Fund is appropriate to the nature of the liabilities and the Fund was in a sound financial condition at 31 March 2006.

46 638 000

46 638 000

46.40%

46.40%

2.9%

2.9%

5.0%

5.0%

0%

0%

Retirement Fund

The salient features of the Statutory (Interim) valuation of the fund at 31 March 2007 are:

The actuarial value of total assets of the fund was less than the actuarial value of the liabilities for the service of members to that date and for pensioners by made up as follows:

(140 900 000)

(140 900 000)

For service to 31 March 2006

for pensioners - funding level 116.2% (2006: funding level %) - surplus

63 400 000

63 400 000

for members - funding level 73.0% (2005: funding level 69,0%)

(204 300 000)

(204 300 000)

The fund was thus funded

87.70%

87.70%

The fund did not hold an Investment Reserve.

For service after 31 March 2006

The total contribution rate payable, including the total surcharge of 14% payable by and on behalf of pre 1 July 2002 members and by employers, exceeded that required for future service members' pensionable emoluments of

10.59%

10.59%

Conclusion

The funding level is

87.70%

87.70%

The actuary is satisfied that the self-insurance arrangement is appropriate for the Fund, the asset composition of the Fund is appropriate to the nature of the liabilities, the contributions being paid to the Fund are sufficient to meet the expected cost of future benefits.

A study undertaken in 2002 of the expected impact that Aids will have on the Fund shows that although the Fund is fairly well protected in relation to other funds, Aids is likely to result in an increase in the required rate of contribution of members' pensionable emoluments by 2010 of some

4%

4%

The matter will be addressed again at a future date.

8 ACCOUNTS PAYABLE

Trade creditors	4 220 709	1 864 654
Deposits	812 909	632 857
Money loss suspense	67 420	849 326
Staff leave	2 125 755	1 725 587
Payments received in advance	1 439 119	1 580 723
Housing repayments	-	343 916
External loans interest - Pennington	90 599	51 521
Retention monies	85 639	52 241
Unidentified direct deposits	363 233	269 920
Income raised in advance	-	105 328
Total Accounts Payable	9 205 383	7 476 074

The average credit period on purchases is 30 days from the receipt of the invoice (as determined by the MFMA). No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial policies in place to ensure that all payables are paid within the credit timeframe.

Deposits are paid by members of the community on application for the hire of community halls and facilities as stipulated in the tariff of charges. The deposits are repaid when the use of the community halls/facilities are completed and an inspection has been executed to ensure that the facilities hired have been restored to its original condition and no damage to property has occurred. In cases where the condition of the facilities have not been restored to its original condition or damage to the property is evident Council can utilise the deposit as payment to rectify the facilities to its original condition or to restore any damage to the property.

No interest is paid on consumer deposits held.

9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional Grants from other spheres of Government:

Provincial grants	1 399 773	1 465 569
District Council	1 061 790	4 458 571
National Treasury	26 239 880	941 471
Development Bank of SA Ltd	132 900	232 681
European Community Grant	429 583	1 224 419
Total Conditional Grants from other spheres of Government	29 263 926	8 322 711

10 OPERATING LEASES

The Municipality as lessee

Leasing arrangements:

At the reporting date the municipality had outstanding commitments under non-cancellable operating leases which fall due as follows:

Up to 1 year	316 214	284 502
1 to 5 years	476 216	302 078
More than 5 years	3 560	-
Total Operating Lease Arrangements	795 990	586 580

Included in the above mentioned operating lease payments are the following major classes of leases:

- Electronic equipment
- Vehicle

11 PROPERTY, PLANT AND EQUIPMENT

The municipality has taken advantage of the transitional arrangements set out in GAMAP 17, to the extent that the municipality may control assets that have not been previously recognised. The municipality is currently undertaking a series of fixed asset verifications and compliance checks to the recognition criteria as determined by GAMAP 17 (para. 10) to identify such assets.

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality intends to commence the process of itemizing all infrastructure and assets and will recalculate accumulated depreciation if needed once this exercise has been completed. Depreciation on assets is calculated on an average basis of useful life for each category and using information as was available on the asset register, using global historical information in the accounting records. Furthermore, the Municipality has not assessed any of the following:

- impairment testing;
- useful life revision; and
- depreciation method revision

as these aspects of the standard has been exempted in terms of Government Gazette 30013.

A formal physical verification of movables was carried out during the year under review and this process will be extended to other assets during the next financial year in accordance with GAMAP 12.

No property, plant and equipment have been pledged to secure borrowings of the municipality.
See also Note 38.

12 INVESTMENT PROPERTY

The municipality has availed itself of the exemption set out in the guidance set out in government notice No. 30013 of 29 June 2007. Investment properties, if any, are recorded in property, plant and equipment and will be separately disclosed once the accuracy of the asset register has been determined.

13 INVESTMENTS

Council's unlisted investments

Long-term deposits with Standard Bank of SA Ltd

Total long term investments

Short term investments

Notice deposits

Standard Bank of SA Ltd

Absa Bank

Nedbank

First National Bank

Investec Bank

Total short term investments

Total investments

Council's valuation of unlisted investments

Average rate of return on investments

47 853	43 576
47 853	43 576
37 143 527	22 312 306
1 339 115	7 278 705
7 442 714	3 233 844
13 143 566	2 253 831
11 820 111	9 545 926
3 398 021	-
37 143 527	22 312 306
37 191 380	22 355 882
37 191 380	22 355 882
11.80%	9.06%

14 LONG TERM RECEIVABLES

Loans to Sports Club and other

Less: Current portion of long-term receivables transferred to current assets

Loans to Sports Club and other

5 845	9 217
(5 845)	(3 372)
-	5 845

15 INVENTORY

Inventory represents:

Consumable stores

52 182	114 297
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16 CONSUMER RECEIVABLES

Rates

Rates penalties and collection charges

Housing

Interest on housing

Refuse

Sundries

Grants, subsidies and other

Less: Provision for bad debt

Add: VAT

11 437 208	11 305 580
7 949 164	7 284 902
5 887 438	5 837 151
2 611 056	2 273 502
2 088 386	1 373 597
1 638 965	3 240 993
219 212	2 593 539
(5 767 240)	(6 012 715)
333 047	
26 397 236	27 896 549
-	(1 580 723)
26 397 236	26 315 826
522 968	301 855
0.70%	0.42%

Less: Credit balances transferred to accounts payable

Total Consumer Receivables

Amounts written off as bad debts

As a percentage of total operating revenue

Ageing of Consumer Debt as follows:

Rates

Current (0 to 30 days)

31 to 60 days

61 to 90 days

91 to 120 days

121 days and over

439 464	428 503
219 713	257 529
197 544	114 203
89 242	94 636
10 491 246	10 410 709
11 437 208	11 305 580

Penalties and collection charges

Current (0 to 30 days)	6 134	1 665
31 to 60 days	8 416	21 367
61 to 90 days	6 258	3 789
91 to 120 days	8 409	4 558
121 days and over	7 919 947	7 253 523
	7 949 164	7 284 902

Housing

Current (0 to 30 days)	104 060	162 356
31 to 60 days	59 341	66 854
61 to 90 days	59 886	66 297
91 to 120 days	57 950	65 801
121 days and over	5 606 201	5 475 843
	5 887 438	5 837 151

Interest on housing

Current (0 to 30 days)	-	-
31 to 60 days	544	-
61 to 90 days	1 099	489
91 to 120 days	1 593	979
121 days and over	2 607 820	2 272 034
	2 611 056	2 273 502

Refuse

Current (0 to 30 days)	166 378	94 651
31 to 60 days	24 780	30 254
61 to 90 days	19 702	20 516
91 to 120 days	16 842	15 676
121 days and over	1 860 684	1 212 500
	2 088 386	1 373 597

Sundries

Current (0 to 30 days)	339 650	474 590
31 to 60 days	36 609	21 428
61 to 90 days	20 707	41 259
91 to 120 days	11 308	7 651
121 days and over	1 230 692	2 696 065
	1 638 965	3 240 993

Grants, subsidies and other

Current (0 to 30 days)

31 to 60 days

61 to 90 days

91 to 120 days

121 days and over

	2 530 380
83 785	48 224
135 427	14 935
219 212	2 593 539

Total consumer ageing

Less: Provision for bad debts

Less: Credit balances transferred to accounts payable

Add: VAT

31 831 429	33 909 264
(5 767 240)	(6 012 715)
-	(1 580 723)
333 047	-

Total consumer receivables

26 397 236	26 315 826
-------------------	-------------------

Reconciliation of provision for bad debts on consumer debtors

Balance at beginning of the year

Contributions to provision

Bad debts written off against provision

Balance at end of year

6 012 715	4 634 138
277 493	1 680 432
(522 968)	(301 855)
5 767 240	6 012 715

Management have considered the effects of any impairment in the values of outstandings and the value of the provision for bad debts. The provision is adequate to account for any material losses expected to arise from any adjustments that are required to be made to outstanding debt.

17 OTHER RECEIVABLES

Sundry receivables

District Municipality

241 676	2 524 675
7 129 438	7 129 438
7 371 114	9 654 113
(4 922 446)	(7 129 438)

Less: Provision for bad debt

Total other receivables

2 448 667	2 524 675
-----------	-----------

Reconciliation of provision for bad debt on other receivables

Balance at beginning of the year

Contributions to provision

Bad debts written off against provision

Balance at end of year

7 129 438	-
(2 206 992)	7 129 438
-	-
4 922 446	7 129 438

Management have considered the effects of any impairment in the values of outstandings and the value of the provision for bad debts. The provision is adequate to account for any material losses expected to arise from any adjustments that are required to be made to outstandings debtors

18 VAT RECEIVABLE

VAT receivable

1 906 280

5 836 744

VAT is payable on the cash basis. Only once payment has been received from debtors is VAT paid over to SARS.

19 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts:

The following primary bank account is maintained in terms of the Local Government: Municipal Finance Management Act:

Standard Bank of SA Limited, Scottburgh Branch - Account No. 05 279 168 8

Current account

Cash book balance at beginning of year	1 091 114	2 091 099
Cash book balance at end of year	(129 601)	1 091 114
Bank statement balance at beginning of year	3 407 927	1 204 001
Bank statement balance at end of year	3 792 218	3 407 927

The following housing bank accounts are maintained in terms of memorandums of agreement with the Department of Housing:

Standard Bank of SA Limited, Scottburgh Branch - Account No. 05 285 257 1

Malangeni Rural Housing Project K 03100018

Cash book balances at beginning of year	314 912	1 006 206
Cash book balances at end of year	38 269	314 912
Bank statement balances at beginning of year	314 912	1 006 206
Bank statement balances at end of year	38 269	314 912

Standard Bank of SA Limited, Scottburgh Branch - Account No. 05 285 256 3

Amahlongwa Rural Housing Project K 03100017

Cash book balances at beginning of year	887 509	5 065
Cash book balances at end of year	551 322	887 509
Bank statement balances at beginning of year	887 509	5 065
Bank statement balances at end of year	551 322	887 509

Standard Bank of SA Limited, Scottburgh Branch - Account No. 05 279 625 6

Umkhonto Slum Clearance Housing Project K 031 00019

Cash book balances at beginning of year	51 901	-
Cash book balances at end of year	51 253	51 901
Bank statement balances at beginning of year	51 838	-
Bank statement balances at end of year	51 253	51 838

Standard Bank of SA Limited, Scottburgh Branch - Account No. 05 279 619 1

Sanathan Housing Project K 0310002

Cash book balances at beginning of year	14 281	-
Cash book balances at end of year	162	14 281
Bank statement balances at beginning of year	14 281	-
Bank statement balances at end of year	162	14 281

Standard Bank of SA Limited, Scottburgh Branch - Account No. 05 285 432 9
Umdoni Municipality Housing Account

Cash book balances at beginning of year
Cash book balances at end of year

61 140	61 919
189 976	61 140

Bank statement balances at beginning of year
Bank statement balances at end of year

61 139	61 919
189 976	61 139

Additional Bank account:

Standard Bank of SA Limited, Scottburgh Branch - Account No. 05 429 812 1
Disaster Management Account

Cash book balances at beginning of year
Cash book balances at end of year

-	-
5 462	-

Bank statement balances at beginning of year
Bank statement balances at end of year

-	-
5 462	-

Summary:

Cash book balance at beginning of year
Cash book balance at end of year

2 420 857	3 164 289
706 844	2 420 857

Bank statement balance at beginning of year
Bank statement balance at end of year

4 737 606	2 277 191
836 444	4 737 606

20 CASH

Petty Cash
Floats
Cash

1 000	2 000
4 900	2 900
-	-
5 900	4 900

21 PROPERTY RATES

Actual income

Residential
Low cost housing
Agriculture
Other
State

15 360 467	14 318 634
1 191	27 019
271 247	287 527
18 614 523	17 026 357
1 037 463	1 000 752

Total assessment rates

35 284 891	32 660 289
-------------------	-------------------

Property valuations

1 244 785 790	1 220 662 670
----------------------	----------------------

Non rateable valuations

55 596 940	54 936 940
-------------------	-------------------

The last general valuation came into effect on:

Scottburgh/Umzinto

1 February
1998

1 February
1998

Pennington/Ocean View/Bazley/Elysium/Ifafa/Mount Albert/Kelso/Sezela/
Mtwalume

1 January
1996

1 January
1996

General rates

Cents in the Rand on land valuation

8.82

8.4

Cents in the Rand on building valuation

0.99

0.94

Rebates on these rates are allowed on the following basis:

Special Residential (excluding vacant land)

15.00%

15.00%

State properties (In terms of the Rating of State Properties Act No. 79 of 1974)

20.00%

20.00%

Agriculture

In terms of Section 153 (5) (c) (dd) (ii) of Local Authorities Ordinance, 1974 (No. 25 of 1974)

50.00%

50.00%

Other:

Improved Properties valued at less than R60 000

100.00%

100.00%

Mtwalume properties are charged a 50% ancillary charge.

22 SERVICE CHARGES

Refuse removal

3 583 159

3 576 109

23 GOVERNMENT GRANTS AND SUBSIDIES

Operational Grants:

Equitable share

10 289 386

8 931 895

Provincial Grants

192 262

8 434 733

Provincial - Health Subsidies

1 175 498

-

District Council

100 317

2 142 447

Department of Provincial and Local Government

535 295

250 000

European Union Funding

792 376

1 353 366

National Treasury

747 895

500 000

MIG counter funding

-

(62 564)

Prior year income allocated not in accordance with IAS 20

(12 199 042)

Deferred Income transferred to Revenue

2 204 924

1 796 381

(to offset depreciation on assets funded from grants)

Total Government Grant and Subsidies recognised

16 037 953

11 147 216

24 EMPLOYEE RELATED COSTS**Remuneration of the Municipal Manager**

Annual remuneration	643 189	436 720
Performance bonus	62 922	59 360

706 110	496 080
----------------	----------------

Remuneration of the Manager: Financial Services

Annual remuneration	454 800	256 356
Performance bonus	-	28 832

454 800	285 188
----------------	----------------

Remuneration of the Manager: Technical Services

Annual remuneration	456 000	393 221
Performance bonus	10 200	37 214

466 200	430 435
----------------	----------------

Remuneration of the Manager: Community Services

Annual remuneration	491 999	371 973
Performance bonus	10 200	24 809

502 199	396 782
----------------	----------------

Remuneration of the Manager: Corporate Services

Annual remuneration	457 300	312 665
Performance bonus	19 200	11 702

476 500	324 367
----------------	----------------

Performance bonuses payable to previous S57 employees:

General Manager: Financial Services	21 023
General Manager: Management Services	21 708
General Manager: Technical Services	27 910

EMPLOYEE RELATED COSTS

Salaries and allowances	25 987 429	22 422 109
Contributions to UIF, pensions and medical aids	4 546 388	4 428 530
Travel, motor car, accommodation, subsistence and other allowances	265 231	296 285
Housing benefits and allowances	115 464	131 041
Overtime payments	1 645 375	929 388
Bonuses	1 545 258	87 194
Contribution to long service awards and medical aid liability	858 198	177 415

34 963 344	28 471 962
-------------------	-------------------

25 COUNCILLORS' REMUNERATION

Mayor's allowance	479 980	412 522
Deputy Mayor's allowance	381 756	259 845
Speaker's allowance	381 756	258 349
Executive councillor allowance	358 392	296 103
Councillors' allowances	2 030 067	2 242 430
Councillors' pension and medical aid contributions	-	(46 599)
	3 631 951	3 422 650

The Mayor, Deputy Mayor, Speaker and one Executive Councillor are full time and have an office and secretarial support at the cost of the Council.

The Mayor has the use of a Council vehicle for official duties.

26 INTEREST PAID

Long term liabilities	207 725	287 384
Total interest on external borrowings	207 725	287 384

27 AUDITOR'S REMUNERATION

Audit fees	529 897	932 964
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28 CASH GENERATED FROM (UTILISED IN) OPERATIONS

(Deficit) surplus for the year	328 181	(4 284 489)
Adjustments for non cash transactions accounted for directly against income:		
Previous year's operating transactions	(54 354)	73 199
Deferred income transferred to revenue	(2 204 924)	(1 796 381)
Depreciation	5 685 999	4 679 021
Recovery of VAT	-	2 029 807
Provision for refuse site rehabilitation	518 297	128 690
Transfer to deferred revenue	-	12 199 042
Contribution to bad debt adjustment	(1 929 499)	-
Adjustments accounted for against appropriations:		
Hibiscus Coast loan written off	-	835 617
Provisions and reserves	-	7 129 438
Capital charges:		
Interest paid on external loans	207 725	287 384
Investment income (operating account)	(3 668 692)	(2 143 203)

Non-operating expenditure:

Expenditure charged/ Income raised against Housing Operating Account	79 665	(14 949 601)
Contribution to staff leave	827 025	(86 291)
Expenditure - other	-	(53 714)
Contribution to retirement medical aid and long service awards	858 198	-
Increase in deferred income	5 578 228	-
	6 225 851	4 048 519

(INCREASE)/DECREASE IN WORKING CAPITAL

(Increase)/decrease in inventory	62 117	47 072
(Increase)/decrease in debtors	6 233 204	9 674 292
(Increase)/decrease in short term investments	(14 831 221)	1 278 931
Increase/(decrease) in creditors	1 329 141	2 032 721
Increase/(decrease) in unspent conditional grants	20 941 215	805 138
	13 734 456	13 838 154

Cash generated from (utilised in) operations

19 960 307	17 886 673
-------------------	-------------------

29 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

Outcome of the hearing to be held regarding the dismissal of the previous Municipal Manager	250 000	250 000
Legal fee invoice received awaiting verification of costs.	-	27 066

30 CAPITAL COMMITMENTS

Commitments for capital expenditure		
- Approved and contracted for	-	7 691 129
- Approved but not yet contracted for	33 135 654	71 150 300

33 135 654	78 841 429
-------------------	-------------------

This expenditure will be financed from:

Internal sources	1 487 391	14 826 689
External sources:		
- National government	29 648 263	42 069 740
- Provincial government	-	9 320 000
- Local government	2 000 000	
- External Loans	-	12 625 000
	33 135 654	78 841 429

31 COUNCILLORS' ACCOUNTS IN ARREARS

The following Councillors had an arrear account balance outstanding for more than 90 Days:

At 30 June 2008

B Moodley (Spouse of Councillor M Moodley)
Councillor BA Khanyile
Councillor GN Mbambo

Outstanding less than 90 Days	Outstanding more than 90 Days	Total
213	3 250	3 462
-	485	485
-	9 420	9 420
213	13 155	13 368

At 30 June 2007

Councillor GN Mbambo
B Moodley (Spouse of Councillor M Moodley)
Councillor R Ramdial

-	11 629	11 629
-	2 646	2 646
-	3 060	3 060
-	17 335	17 335

32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

32.1 UNAUTHORISED EXPENDITURE

Reconciliation of unauthorised expenditure

Opening balance

Unauthorised expenditure for the current year

Approved/condoned by Council

Transfer to receivables for recovery

Unauthorised expenditure awaiting authorisation

-	-
941 743	-
(491 250)	-
-	-

450 493	-
---------	---

32.2 FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure

Opening balance

Fruitless and wasteful expenditure for the current year

Approved/condoned by Council

To be recovered - contingent asset

Fruitless and wasteful expenditure awaiting condonation

-	-
-	-
-	-
-	-

-	-
---	---

32.3 IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

Opening balance

Irregular expenditure for the current year

Approved /condoned by Council

Transfer to receivables for recovery - not condoned

Irregular expenditure awaiting condonation

-	-
-	-
-	-
-	-

-	-
---	---

33 CORRECTION OF ERRORS

33.1. GOVERNMENT GRANT RESERVE:

The municipality accounted for government grants related to non-current assets in accordance with GAMAP 9 for the year ended 30 June 2007. Since fund accounting is not allowed in terms of GRAP/GAMAP/GAAP, the municipality must account for government grants related to non-current assets in accordance with IAS 20.26. Refer to Note 2.

The financial year comparatives for the year 2007 has been restated to correct the error. The effect of the restatement is summarised below:

	As previously reported 2007 R	Amount of correction 2007 R	Restated 2007 R
a) Adjustment of opening balances:			
NET ASSETS			
- Government Grant Reserve (transferred to Deferred Income)	44 791 871	(44 791 871)	-
LIABILITIES			
- Deferred income (transferred from government grant reserve)	-	44 791 871	44 791 871
Total effect of the adjustments on the opening balance as at 1 July 2006	44 791 871	-	44 791 871
b) Adjustment of accumulated surplus movement for the year ended 30 June 2007:			
- Government Grant Reserve	10 402 661	(10 402 661)	-
Total effect of adjustment against accumulated surplus as at 30 June 2007 (a + b)	10 402 661	(10 402 661)	-
c) Adjustment against surplus for the year ended 30 June 2007			
Decrease/(Increase) in Revenue			
Government Grants and Subsidies:			
- Reversing of full capital grant amount incorrectly recorded as revenue	(12 199 042)	12 199 042	-
- Revenue recognised equal to depreciation expense on Government Grant Reserve assets	-	1 796 381	1 796 381
Decrease/(Increase) in surplus for the year ended 30 June 2007	(12 199 042)	13 995 423	1 796 381
d) Adjustment of balances - assets and liabilities - as at 30 June 2007			
- Decrease/(Increase) in deferred revenue liability	-	10 402 661	10 402 661

33.2. RESERVES TO ACCUMULATED SURPLUS

Since fund accounting is not allowed in terms of GRAP / GAMAP / GAAP, the municipality's internal funds and reserves should form part of Accumulated Surplus and should not be disclosed as in 2007 as separate reserves on the face of the Statement of Financial Position and Statement of Changes in Net Assets.

The financial year comparatives for the year 2007 has been restated to correct the error. Refer to Note 1

33.3. REALLOCATION OF DEPRECIATION TO SOURCES OF FUNDING

An analysis of the various funding sources required the following adjustment to be processed in order to fairly present the allocation of depreciation between the various funding sources.

a) Adjustment of opening balances:

Accumulated Surplus	(7 248 137)
Capitalisation Reserve	4 396 990
Government Grant Reserve	2 888 719
Public Contributions and Donations Reserve	(37 573)

Total effect of the adjustments on the opening balance as at 1 July 2006 **0**

b) Adjustment of balances - net assets and liabilities - as at 30 June 2007

Accumulated Surplus	
Deferred Income	(891 326)
Total effect of the adjustments on the opening balance as at 30 June 2007	891 326

0

34 SPECIAL INVESTIGATIONS

At the request of Umdoni Municipality, an investigation is currently being conducted to probe the manner in which the violence damaged housing rehabilitation project was undertaken. The investigation was ongoing at reporting date.

35 RELATED PARTIES

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

39.1 Services rendered to related parties:

	Rates	Refuse	Rental	Other	Total
30 June 2008	25 553	3 364	21	-	28 938
Councillors					
	25 553	3 364	21	-	28 938

The rates, service and other charges are in accordance with approved tariffs that was advertised to the public.

36 EVENTS AFTER REPORTING DATE

Management have not identified any matter or circumstance (adjusting or non-adjusting) since the end of the financial year, that will impact on the fair presentation of the annual financial statements.

37 PARTICULARS OF TRANSACTIONS IN ACCORDANCE WITH S45 OF SUPPLY CHAIN REGULATIONS

The municipality engaged in transactions to the value of R 31 179 with companies who are associated with staff members of the municipality. These transactions were concluded in full compliance with the Supply Chain Management policy of the Council and the transactions were considered to be at arm's length.

Name of individual	Capacity of individual	Amount of the transaction
AA Govender	Superintendent - Traffic and Policing	5 650
C Ramkission	Senior Debtors Clerk - Housing	25 529
		31 179

38 PROPERTY, PLANT AND EQUIPMENT

	Properties	Infrastructure	Vehicles	Civil Roads
Reconciliation of carrying value				
Carrying values at 1 July 2007	17 623 782	26 544 351	8 023 454	31 299 483
Cost/Revaluation	18 282 605	33 331 050	11 971 470	37 345 394
Cost	18 282 605	33 331 050	11 971 470	37 345 394
Revaluation				
Prior year adjustments				
Accumulated depreciation	(658 823)	(6 786 699)	(3 948 016)	(6 045 911)
Based on cost	(658 823)	(6 786 699)	(3 948 016)	(6 045 911)
Based on revaluation				
Acquisitions	2 817 539	1 998 000	1 805 894	4 721 805
Increases/(decreases) in revaluation	-	-	-	-
Depreciation	(120 989)	(1 120 788)	(1 609 452)	(1 322 994)
Based on cost	(120 989)	(1 120 788)	(1 609 452)	(1 322 994)
Based on revaluation	-	-	-	-
Carrying value of disposals	-	-	-	-
Cost/revaluation	-	-	-	-
Accumulated depreciation	-	-	-	-
Impairment losses	-	-	-	-
Other movements	-	-	-	-
Carrying values at 30 June 2008	20 320 332	27 421 563	8 219 895	34 698 293
Represented by Cost/revaluation	21 100 144	35 329 050	13 777 364	42 067 199
Cost	21 100 144	35 329 050	13 777 364	42 067 199
Revaluation	-	-	-	-
Accumulated depreciation	(779 812)	(7 907 487)	(5 557 468)	(7 368 905)
Cost	(779 812)	(7 907 487)	(5 557 468)	(7 368 905)
Revaluation	-	-	-	-
Carrying values at 30 June 2008	20 320 332	27 421 563	8 219 895	34 698 293

Stormwater	Electricity	Toolbox	Housing	Work in Progress	Total
1 993 979	1 094 920	3 462 161	19 435 657	5 097 187	114 574 974
2 363 004	1 194 140	8 151 112	19 435 657	5 097 187	137 171 619
2 363 004	1 194 140	8 151 112	19 435 657	5 097 187	137 171 619
					-
(369 025)	(99 220)	(4 688 951)	-	-	(22 596 645)
(369 025)	(99 220)	(4 688 951)			(22 596 645)
			-	-	-
661 813	-	3 116 521	-	10 018 274	25 139 846
-	-	-	-	-	-
					-
(80 716)	(39 914)	(1 391 146)	-	-	(5 685 999)
(80 716)	(39 914)	(1 391 146)	-	-	(5 685 999)
-	-	-	-	-	-
-	-	-	(1 344 315)	-	(1 344 315)
-	-	-	(1 344 315)	-	(1 344 315)
-	-	-	-	-	-
-	-	-	-	-	-
2 575 076	1 055 006	5 187 537	18 091 342	15 115 461	132 684 506
3 024 817	1 194 140	11 267 633	18 091 342	15 115 461	160 967 150
3 024 817	1 194 140	11 267 633	18 091 342	15 115 461	160 967 150
-	-	-	-	-	-
(449 741)	(139 134)	(6 080 097)	-	-	(28 282 644)
(449 741)	(139 134)	(6 080 097)	-	-	(28 282 644)
-	-	-	-	-	-
2 575 076	(139 134)	5 187 537	18 091 342	15 115 461	132 684 506

APPENDIX A: SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDED 30 JUNE 2008

External loan	Interest rate	Redeemable	Balance as at 30 June 2007	Received during the year
Other Long Term Loans				
uMsekeli Financial Services	0.00%		889 694	
Department of Transport	0.00%	31/07/2007	32 920	
Hibiscus Coast Municipality	0.00%		-	
Total Long Term Loans			922 614	-
Local Registered Stock				
ABSA Bank Ltd	12.50%	31/12/2007	525 000	
Total			525 000	-
Annuity Loans				
Development Bank of SA Ltd	Various			
Beach and campsites	13.72%		462 184	
Civic	to		123 062	
Roads	17.65%		300 400	
Sundries			-	
uMsekeli Financial Services				
Library	10.00%		77 290	
Roads and drains	10.00%		437 923	
Total Annuity Loans			1 400 859	-
TOTAL EXTERNAL LOANS			2 848 473	-

Adjustments to correct the previous year	Redeemed/ written off during the year	Balance as at 30 June 2008	Carrying value of Property, Plant and Equipment	Other Costs in accordance with the MFMA	Short term 2008	Portion 2007
		889 694			889 694	600 000
	(32 920)	-				32 920
		-				
	(32 920)	889 694	-	-	-	-
	(525 000)	-				525 000
		-				
-	(525 000)	-	-	-	-	-
	(96 724)	365 460			114 270	96 446
	(21 378)	101 684			24 904	21 799
	(117 050)	183 350			135 157	116 472
		-				
					250 244	124 432
		77 290				124 432
		437 923				
-	(235 152)	1 165 707				
-	(793 072)	2 055 401			1 414 268	1 641 501

APPENDIX B: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2008

	Budgeted Additions for 2007/ 2008 year	COST/REVALUATION					
		Opening Balance	Work In Progress	Adjust- ments Prior year	Restated Opening balance	Additions	Work in Progress Transferred to additions
	R	R	R	R	R	R	R
Properties	2 291 886	18 282 605	2 814 316	-	21 096 921	2 817 539	(2 814 316)
Infrastructure	12 306 214	33 331 050	71 007		33 402 057	1 998 000	(71 007)
Vehicles	4 546 455	11 971 470			11 971 470	1 805 894	
Civil Roads	4 540 000	37 345 394	1 486 414		38 831 808	4 721 805	(1 486 414)
Civil Storm water	3 800 000	2 363 004			2 363 004	661 813	
Electrical	-	(1 194 140)			1 194 140	-	
Toolbox	4 940 811	8 151 112	217 625		8 368 737	3 116 521	(217 625)
Housing	-	19 435 657	507 827		19 943 484		(507 827)
	32 425 366	132 074 432	5 097 189	-	137 171 621	15 121 572	(5 097 189)

ACCUMULATED DEPRECIATION

Work in Progress for the year	Disposals	Closing Balance 2007	Opening Balance 2008	Additions	Disposals	Closing Balance	Carrying Value 2007	Carrying Value 2008
R	R	R	R	R	R	R	R	R
330 670		21 430 814	658 824	120 989		779 813	20 651 001	20 438 097
12 465 932		47 794 982	6 786 698	1 120 788		7 907 486	39 887 496	26 615 359
		13 777 364	3 948 017	1 609 453		5 557 470	8 219 894	8 023 453
		42 067 199	6 045 912	1 322 995		7 368 907	34 698 292	32 785 896
1 200 615		4 225 432	369 025	80 715		449 740	3 775 692	1 993 979
		1 194 140	99 220	39 913		139 133	1 055 007	1 094 920
610 417	-	11 878 050	4 688 951	1 391 145		6 080 096	5 797 954	3 679 786
507 827	(1 344 315)	18 599 169		-		-	18 599 169	19 943 484
15 115 461	(1 344 315)	160 967 149	22 596 647	5 685 997	-	28 282 644	132 684 505	114 574 974

APPENDIX C: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2008

	COST/REVALUATION						
	Opening Balance	Work In Progress	Adjust- ments Prior year	Restated opening	Additions	Work in Progress Transferred to additions	Under Construc- tion
	R	R	R	R	R	R	R
Council General	78 864		-	78 864	33 861	-	
Council	491 870		-	491 870	1 368 033	-	1 588 627
Community Services	2 872 197		-	2 872 197	2 417 283	-	7 374 118
Civic buildings	12 832 637	1 621 046	-	14 453 682	1 621 046	(1 621 046)	
Building	69 548		-	69 548	5 848	-	
Corporate Services	988 301		-	988 301	867 073	-	
Clinic	1 025 081		-	1 025 081	3 402	-	
Environmental Services	15 115		-	15 115		-	
Land (PIF)	1 525 849		-	1 525 849		-	
Libraries	4 780 172	71 007	-	4 851 178	8 606	(71 007)	71 007
Workshop	90 844		-	90 844	12 472	-	
Refuse	8 154 066		-	8 154 066		-	
Roads and Drainage	29 931 605	1 486 414	-	31 418 019	1 486 414	(1 486 414)	
Beach management	6 658 299		-	6 658 299	107 417	-	
Estates	830 300		-	830 300		-	
Sewerage	941 646		-	941 646		-	
Parks and gardens	5 990 388	1 193 270	-	7 183 658	1 207 674	(1 193 270)	803 005
Traffic services	2 018 560		-	2 018 560	381 856	-	
Caravan Park	1 767 401		-	1 767 401		-	
Technical Services	8 198 973		-	8 198 973	5 225 653	-	1 502 309
Public works	16 771 307		-	16 771 307	-	-	
Financial Services	487 109		-	487 109	224 159	-	
Stores	15 887		-	15 887		-	
Administration	3 577 760	217 625	-	3 795 385	109 465	(217 625)	3 268 568
Housing services	21 960 655	507 827	-	22 468 481		(507 827)	507 827
Planning and Development			-	-	41 310	-	
	132 074 433	5 097 187	-	137 171 620	15 121 572	(5 097 187)	15 115 461

ACCUMULATED DEPRECIATION								
Disposals	Prior Year Adjust- ment	Closing Balance	Opening Balance	Additions	Dispo- sals	Closing Balance	2008 Carrying Value	2007 Carrying Value
R	R	R	R	R	R	R	R	R
		112 725	27 481	17 896		45 377	67 348	51 383
		3 448 530	62 950	112 911		175 861	3 272 669	428 920
		12 663 598	1 033 382	650 970		1 684 352	10 979 246	1 838 815
		14 453 682	1 777 343	498 638		2 275 981	12 177 702	12 676 339
		75 396	61 314	13 658		74 972	424	8 234
		1 855 374	472 180	247 966		720 146	1 135 229	516 121
		1 028 483	345 341	36 009		381 350	647 133	679 740
		15 115	4 844	1 837		6 681	8 434	10 271
		1 525 849	8 786	1 244		10 030	1 515 820	1 517 063
		4 859 785	899 554	175 985		1 075 539	3 784 246	3 951 624
		103 316	72 582	6 186		78 768	24 547	18 262
		8 154 066	80 187	57 717		137 904	8 016 162	8 073 879
		31 418 019	4 044 459	1 077 490		5 121 949	26 296 070	27 373 560
		6 765 716	1 547 187	239 138		1 786 325	4 979 391	5 111 112
		830 300	750	361		1 111	829 189	829 550
		941 646	648 497	17 103		665 600	276 046	293 149
		8 001 068	986 394	291 119		1 277 513	6 723 554	6 197 264
		2 400 416	773 723	332 178		1 105 901	1 294 514	1 244 837
		1 767 401	366 567	18 497		385 064	1 382 337	1 400 834
		14 926 935	2 784 751	1 076 983		3 861 734	11 065 201	5 414 222
		16 771 307	3 665 129	489 410		4 154 539	12 616 768	13 106 178
		711 268	271 969	103 774		375 743	335 525	215 140
		15 887	12 532	163		12 695	3 192	3 355
		6 955 793	1 461 517	132 022		1 593 539	5 362 254	2 333 868
(1 344 315)		21 124 167	1 187 226	79 864		1 267 090	19 857 077	21 281 255
		41 310	-	6 881		6 881	34 429	-
(1 344 315)	-	160 967 150	22 596 645	5 685 999	-	28 282 644	132 684 507	114 574 975

APPENDIX D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

	2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R	2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R
Council General	10 306 892	12 271 742	(1 964 850)	9 841 021	8 461 318	1 379 703
Financial Services	44 900 867	8 660 461	36 240 406	38 675 248	15 476 904	23 198 344
Technical Services	6 398 002	24 548 005	(18 150 003)	4 065 248	20 931 121	(16 865 873)
Corporate Services	689 940	6 840 436	(6 150 496)	746 858	3 989 979	(3 243 121)
Community Services	10 507 166	19 384 737	(8 877 571)	7 934 235	16 324 122	(8 389 887)
Planning and Development	1 911 748	2 687 491	(775 743)	-	363 655	(363 655)
Total	74 714 615	74 392 872	321 743	61 262 610	65 547 099	(4 284 489)

APPENDIX E1: ACTUAL COMPARED WITH REVENUE AND EXPENDITURE

	Actual 2008 R	Budget 2008 R	Variance 2008 R	Variance 2008 %
REVENUE				
Property rates	35 284 891	34 986 328	298 563	0.85%
Property rates- penalties imposed and collection charges	3 425 245	3 011 100	414 145	13.75%
Service charges	3 583 159	3 716 918	(133 759)	(3.60%)
Rental of facilities and equipment	2 700 757	2 747 336	(46 579)	
Interest earned - external investments	3 668 692	2 594 940	1 073 752	41.38%
Fines	518 473	876 500	(358 027)	(40.85%)
Licences and permits	4 624 715	4 938 750	(314 035)	(6.36%)
Government grants and subsidies	16 037 953	12 784 665	3 253 288	25.45%
Other income	4 857 209	2 338 897	2 518 312	107.67%
Public contributions and donations	13 521	9 763	3 758	38.49%
Gains on disposal of property, plant and equipment	-	10 000 000	(10 000 000)	(100.00%)
Total Revenue	74 714 615	78 005 197	(3 290 582)	(4.22%)
EXPENDITURE				
Council General	12 271 742	12 639 758	(368 016)	(2.91%)
Financial Services	8 660 461	6 906 128	1 754 333	25.40%
Technical Services	24 548 005	21 506 161	3 041 844	14.14%
Corporate Services	6 840 436	15 633 018	(8 792 582)	(56.24%)
Community Services	19 384 737	19 294 049	90 688	0.47%
Planning and Development	2 687 491	2 004 493	682 998	34.07%
Total Expenditure	74 392 872	77 983 607	(3 590 735)	(4.60%)
NET SURPLUS/(DEFICIT) FOR THE YEAR	321 743	21 590	300 153	1390.24%

APPENDIX E2: ACTUAL VERSUS BUDGET – ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	2008 Actual R	2008 Under Construction R	2008 Total Additions R	2008 Budget R	2008 Variance R	2008 Variance %
Council General	1 511 359	4 857 196	6 368 555	1 408 317	(4 960 238)	(352.21)
Financial Services	224 159		224 159	3 301 301	3 077 142	93.21
Technical Services	7 938 061	2 305 314	10 243 375	16 011 190	5 767 815	36.02
Corporate Services	2 488 119		2 488 119	1 231 074	(1 257 045)	(102.11)
Community Services	2 918 563	7 952 951	10 871 514	9 509 537	(1 361 977)	(14.32)
Planning and Development	41 310		41 310	963 947	922 637	95.71
	15 121 572	15 115 461	30 237 033	32 425 366	2 188 333	6.75

APPENDIX F: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grant	Name of organ of state or municipal entity	QUARTERLY RECEIPTS					
		Apr to Jun 1	Total 1/07/2007	Jul to Sep 2	Oct to Dec 3	Jan to Mar 4	Apr to Jun 5
Renaissance Project	Department of Housing		(352 973)				
Capacity Development	DTLGA		(232 681)		(350 000)		
Free Basic Services	DTLGA		(71 198)				
Indigent Support	DTLGA		(28 702)				
Indigent Support	DTLGA		(1 729)				
Property Rates Valuation	DTLGA		(30 824)				
Municipal Management Finance Act	DTLGA		(6 893)				
Municipal Development and Planning Capacity Building	DTLGA		-			(300 000)	
GIS Capacity Building	DTLGA		(150 658)				
Skills Training Centre	DTLGA		(298 983)				
Spatial Development LUMS	DTLGA		-			(200 000)	
MAP	KZNTGLA		(65 621)				
Interdepartmental Monitoring	DTLGA		(54 079)				
Land Use Management System	DTLGA		(50 920)		(11 979)		
Performance Management System	DTLGA		(47 660)	(244 000)			
Administration Facilities	DTLGA		(11 539)				
Municipal Infrastructure Grant	DTLGA		-				(1 250 000)
MIG Tidal Surge	DTLGA					(7 000 000)	(20 075 500)
Umdoni Tourist Plan	European Community Grant		(207 053)	(168 000)			
Umdoni Industrial Development	European Community Grant		(351 675)				
Umdoni SMME	European Community Grant		(369 790)				
Agricultural Development Statistics	European Community Grant		(162 525)				
Umdoni Bus Returns and Expenses	European Community Grant		(133 376)				
Environmental Management Practice	KZN Agric & Env Affairs		(50 000)				
Malangen Library	Library Services		(9 941)	(343 557)		(367 447)	(159 549)
SETA	Local Gov Seta		(230 007)	(872)	(60 756)	(51 754)	
Finance Management Grant	National Treasury		(896 381)	(500 000)			

QUARTERLY EXPENDITURE					Grants and subsidies delayed or withheld	Reason for delay with-holding of funds	Did your	Reason for non-compliance
Apr to Jun 1	Jul to Sep 2	Oct to Dec 3	Jan to Mar 4	Apr to Jun 5	Bal 30/06/2008			
					(352 973)	Nil	NA	Yes
	259 781	190 000			(132 900)	Nil	NA	Yes
		71 198			-	Nil	NA	Yes
	28 702				-	Nil	NA	Yes
	1 729				-	Nil	NA	Yes
			15 129	15 695	-	Nil	NA	Yes
				6 893	-	Nil	NA	Yes
	75 000	75 000	75 000	75 000	-	Nil	NA	Yes
					(150 658)	Nil	NA	Yes
	14 064	15 373	17 425	25 539	(226 581)	Nil	NA	Yes
					(200 000)	Nil	NA	Yes
				58 115	(7 506)	Nil	NA	Yes
				54 079	-	Nil	NA	Yes
				31 094	(31 805)	Nil	NA	Yes
		98 162	50 000	115 566	(27 933)	Nil	NA	Yes
				11 539	-	Nil	NA	Yes
				283 856	(966 144)	Nil	NA	Yes
	7 000 00			2 559 730	(24 508 770)	Nil	NA	Yes
	69 477	68 766	3 600	236 766	3 556	Nil	NA	Yes
			106 925	267	(244 483)	Nil	NA	Yes
		49 853	1 349	253 038	(65 550)	Nil	NA	Yes
		62 220	2 460	1 696	(96 149)	Nil	NA	Yes
	30	56 639	2 000	47 750	(26 957)	Nil	NA	Yes
					(50 000)	Nil	NA	Yes
			489 820	278 041	(112 634)	Nil	NA	Yes
			11 536	92 170	(239 683)	Nil	NA	Yes
	133 892	162 056	348 975	158 487	(592 972)	Nil	NA	Yes

Name of Grant	Name of organ of state or municipal entity	QUARTERLY RECEIPTS					
		Apr to Jun 1	Total 1/07/2007	Jul to Sep 2	Oct to 28 3	Jan to Mar 4	Apr to Jun 5
Free Basic Electricity	National Treasury		(45 090)				
Flood Damage	Provincial Disaster Management		(5 790)				
Health Services	Provincial Subsidy		-				
Learnership (LED)	Seta		-	(220 000)			(83 875)
Tourist Development	Ugu Regional Council		(244 319)				
Sustainable Livelihood	Ugu Regional Council		(100 000)				
Youth Fund	Ugu Regional Council		(3 776)				
Flagship Feasability Study	Ugu Regional Council		(400 000)				
Umzinto Hall	Ugu Regional Council		(1 815 974)				
Capacity Building Framework	Ugu Regional Council		(235 452)				
Community Communication Initiative	Ugu Regional Council		(9 050)				
Umzinto Sporting Complex	DPLG				(650 000)	(325 000)	
HIV/Aids Workshop	Ugu Regional Council		(50 000)				
Shared Service: Disaster Management	Ugu Regional Council		(1 600 000)				
		-	(8 324 658)	(1 476 429)	(1 072 735)	(8 244 201)	(21 568 924)

QUARTERLY EXPENDITURE						Grants and subsidies delayed or withheld	Reason for delay with-holding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
Apr to Jun 1	Jul to Set 2	Oct to Dec 3	Jan to Mar 4	Apr to Jun 5	Bal 30/06/2008				
	-		45 090		-	Nil	NA	Yes	NA
				5 790	-	Nil	NA	Yes	NA
					-	Nil	NA	Yes	NA
	24 224	118 595	92 199	68 857	-	Nil	NA	Yes	NA
					(244 319)	Nil	NA	Yes	NA
	3 245			77 729	(19 026)	Nil	NA	Yes	NA
				3 776	-	Nil	NA	Yes	NA
				5 900	(394 100)	Nil	NA	Yes	NA
	516 159	491 250	94 500	714 065	-	Nil	NA	Yes	NA
		235 452			-	Nil	NA	Yes	NA
		1 228		7 296	(526)	Nil	NA	Yes	NA
				803 005	(171 995)	Nil	NA	Yes	NA
	40 947	997			(8 056)	Nil	NA	Yes	NA
				1 204 238	(395 762)	Nil	NA	Yes	NA
-	1 174 250	1 696 789	1 356 008	7 195 976	(29 263 924)				

APPENDIX G: ACTION PLANS BY THE RESPECTIVE DEPARTMENTS TO ADDRESS FINDINGS RAISED BY THE AUDITOR GENERAL IN THE AUDIT REPORT 2007/2008 FINANCIAL YEAR

	Para #	Findings
Amendments to the applicable basis of accounting	11.	As set out in accounting policy note 1, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of <i>General Notice 522 of 2007</i> , issued in <i>Government Gazette No. 30013 of 29 June 2007</i> , which granted the municipality early adoption of the South African Statement of Generally Accepted Accounting Practice, IAS 19 (AC 16): <i>Employee benefits</i>
Restatement of corresponding figures	12.	As disclosed in note 37 to the financial statements, the municipality transferred their government grant reserve, valued at R44.8 million, to deferred income.
	13.	The depreciation expense of R4.7 million was also re-allocated correctly against the funding sources of assets as per note 1 to the financial statements.
	14.	Grant funding of R12.2 million and the corresponding depreciation charge of R1.8 million, incorrectly recognised as revenue in the previous financial year, was correctly restated in note 37.
Non-compliance with applicable legislation	15.	The Municipality did not comply with section 21(2)(c) which requires full compliance with the Division of Revenue Act, 2007 (DORA). A three-year capital budget as required by DORA was not produced.
	16.	The Service Delivery Budget Implementation Plan was not submitted to council within 14 days of the approval of the budget, as required by section 69(3) of the Municipal Finance Management Act.
Non-compliance with regulatory requirements	25.	The municipality did not produce an annual performance report as required by section 46(1) of the Municipal System's Act for audit purposes by the date of the audit report.
No quarterly reporting on performance information	26.	No quarterly reports on the progress in achieving measurable objectives and targets were prepared by the municipality to facilitate effective performance monitoring, evaluation and corrective action, as required by Section 41 of the Municipal System's Act.

Action Plan	Person Responsible	Due Date
Early adoption is encouraged by National Treasury. Management will continue to strive for full adoption of the relevant standards, with the assessment of the useful lives and impairment of property, plant and equipment anticipated to be completed in the current financial year.	General Manager: Financial Services	Ongoing
The once-off restatement is due to the application of IAS 20 in accordance with GAMAP/GRAP rather than National Treasury Guidance as utilised in the previous year.	General Manager: Financial Services	Once-off
The once-off re-allocation due to the continuous update and refinement of the Fixed Asset Register. There has been no amendment to the total depreciation expense, but rather only a re-allocation against the existing funding sources.	General Manager: Financial Services	Once-off
The once-off restatement is due to the application of IAS 20 in accordance with GAMAP/GRAP rather than National Treasury Guidance as utilised in the previous year.	General Manager: Financial Services	Once-off
The current 2008/2009 budget contains a three-year capital budgeted as required by DORA.	General Manager: Financial Services	Compliance achieved
The SDBIP was approved by Council on 27 June 2007. The approved document is available for scrutiny. Management will ensure compliance with the 2009/2010 SDBIP.	Senior Manager Development	2009/2010 Financial Year
Management will endeavour to progressively implement the recommendations by the Auditor-General in accordance with the Municipal Systems Act towards ensuring the information is available for the 2008/2009 audit cycle. Auditable information will be utilised along with quarterly reports for the ensuing financial year and will be presented for audit.	Senior Manager Development	2008/2009 Financial Year
Management will endeavour to ensure that quarterly reports are tabled on time during the current financial year.	Senior Manager Development	Immediate

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Office of the Municipal Manager

Integrated Development Planning

“South Africa has been given a rare and historic opportunity to transform local government to meet the challenges of the next century”. The need for an IDP is raised in a number of pieces of legislation whereby some give direct guidance and directions on the path to be followed in developing and implementing IDPs.

The IDP has a lifespan of five years that is linked directly to the term of office for local Councillors. After every local government elections, the new Council has to decide on the future IDP. The Council can adopt the existing IDP or develop a new IDP that takes into consideration existing plans. The said document is then reviewed yearly. Apartheid spatial planning ensured that the mass of people were located far from areas of social and economic opportunities. This spatial marginalisation from economic opportunities is still a significant feature of our space economy that needs to be addressed in order to reduce poverty and inequality, and ensure shared growth.

Statistical data within the IDP process is still a challenge in which the Municipality will need to look at in the future. Census information is outdated which makes it difficult to obtain data. It is acknowledged that other source of data can be obtained and such possibilities will be considered in the next review. Progress has been made in this year's review but we need to improve again for the next review.

Institutional Arrangement

The Senior Manager Strategic Planning and Development is responsible for the management and coordination of the IDP review process. Institutionally, the IDP is placed within the Office of the Municipal Manager. For 2007/2008 the document was prepared in-house, however the process was disrupted by the resignation of the Senior Manager: Strategic Planning and Development, which led to the District Municipality seconding an incumbent for a period of two years whilst the candidate was still serving notice. This further resulted in the Municipality requesting the assistance of a service provider during the absence of an IDP Manager.

IDP Process Plan

The Municipal Systems Act (Act No. 32 of 2000) stipulates that municipalities must prepare an Integrated Development Plan as their strategic document for the five year term of Council. In developing the IDP, the process plan must be prepared and adopted by Council. Umdoni Municipality embarked on the joint process plan for the budget and IDP. The Council's IDP Process Plan was adopted in August 2007.

Date	Ward	Venue
23 October 2007	2 (Cllr PH Ngcobo)	Mgwempisi Sportsfield
24 October 2007	9 (Cllr ES Gumede)	Malangen Secondary School (Bhiniva)
26 October 2007	5 (Cllr EV Baptie)	Full Gospel Church (Amandawe)
29 October 2007	1 (Cllr D Cele)	Olwasini Sports Ground

Preparing for the 2008/2009 IDP review

It should be noted that during the 2007/2008 financial year, the IDP reviewed within the financial year is for 2008/2009 etc. The following processes were followed in the review of the IDP for the 2008/2009 implementation period:

- The IDP Process Plan was adopted by Council in its August 2007 Council meeting.
- the 2008/2009 IDP Review process was advertised during September 2007.
- In October 2007 community consultation meetings were held in the form of mayoral Izimbizo for different ward clusters. As per advertisement of IDP Process, and as per the approved IDP Process Plan, workshops were rolled out within the Izimbizo programme of the Mayor (which were publicly advertised). These workshops involved a ward-level approach. The following public meetings were held:
 - During October and November 2007 government departments and service providers were consulted regarding their Mid-Term Expenditure Frameworks and programmes to support the municipal planning process.
 - During November 2007 the desktop situational analysis was conducted utilising various sources of data:
 - Municipal Demarcation Board Census data (1996 and 2001)
 - Development Bank of Southern Africa (2001-2006)
 - Statistics South Africa (2001 and 2007)
 - Eskom
 - Department of Water Affairs and Forestry (2004-2005)
 - Ugu District Water Services Development Plan.
- Management and council planning sessions were held to ensure that both components have a shared vision, and also to map out their long-term development agenda and participate meaningfully in the IDP Formulation Process.
- The first draft of the IDP was submitted to Finance department in February to enable the document to be utilised for budgetary purposes in the 2008/2009 budget process, which had to be tabled to Council at the end of March 2008 i.e. 90 days before the commencement of the financial year.
- Subsequent to the above, IDP/Budget Roadshows also took place in April 2008 in a joint venture with the District Municipality.
- The draft document was submitted to the Department of Local Government and Traditional Affairs for the 2007/2008 Assessment using the Credible IDP Framework.

A woman collects water from the borehole in Amandawe, Ward 5.



- A Strategic Planning Workshop was held during April 2008 with the Councillors and officials where deliberations and review of the strategic framework, vision and mission took place, in which that process also fed to the district Lekgotla held early in May 2008.
- The draft document for the 2008/2009 IDP Review was further advertised for 21 days for public comments.
- Councillors and officials were workshopped on this document and the document was discussed.
- The IDP reviewed document was adopted on 25 June 2008.

Performance Management Systems

During this financial year the Municipality adopted an SDBIP which served a dual purpose, that of a PMS and that of an SDBIP.

The Organisational Performance Management System was reviewed in 2007/2008 for implementation in the 2008/2009 financial year. During the review the following documents were produced:

- PMS Framework
- PMS Policy
- Guidelines for Appraisal Committee
- 2008/2009 Departmental Scorecards.

All section 57 managers had their contracts prepared and signed (with the exception of the Chief Financial Officer [CFO], Mr A Nunkumar who arrived towards the end of the financial year). Quarterly reviews were held on an ad hoc basis within this financial year. This will be corrected as the quarterly reviews will form part of the Council Calendar for the year.

Local Economic Development

This report outlines the basic goals that the Umdoni LED Strategy strives to address. We have made significant strides in the last financial year to roll-out and implement projects stemming from the programmes listed below. There are four basic programmes outlined by the Umdoni LED strategy:

- Tourism sector support.
- Agricultural sector support.
- Manufacturing sector support.
- Cross cutting interventions:
 - SMME support.
 - Learnerships and training.
 - Support for cooperatives.

Tourism Sector Support

Umdoni Municipality has completed a tourism strategy complemented by a marketing strategy to stimulate tourism in the Umdoni area. The strategy was also complemented by a tourism map, a database of tourism-related businesses that are registered with the Umdoni Tourism Office. The strategy also outlined strategic projects that the Municipality should pursue with respect to implementing the strategy. The strategic documents that are now complete for tourism development are:

- Umdoni Tourism Strategy
- Umdoni Marketing Plan
- Umdoni Tourism Map
- Umdoni Tourism Database.

Agricultural Sector Support

A number of projects have been initiated to support agriculture, particularly in the rural outskirts of Umdoni Municipality. Those initiatives are:

- **Sustainable Livelihood Programme:** this programme sought to render support to all those small scale farmers (commonly referred to as communal gardens) that were struggling with capacity to produce high quality crops. The projects identified were as follows:

Ward	Organisation	Type of Business	Support Rendered
1	Sizakahle	Agriculture	Farming implements with seedlings and fertilisers
1	Vukuzenzele	Agriculture	Farming implements with seedlings and fertilisers
2	Thuthukani	Agriculture	Farming implements with seedlings and fertilisers
3	Siyaya Flowers	Agriculture	Farming implements with seedlings and fertilisers
4	Dubandlela	Agriculture	Farming implements with seedlings and fertilisers
9	Sukumani	Agriculture	Farming implements with seedlings and fertilisers

- With **communal gardens** being the dominant projects in the rural communities for food security and as a source of generating income, the LED unit embarked on a programme to raise finance that will assist the communal gardens with infrastructure and capacity for farming high quality crops and utilising the best farming methods.

The response from Old Mutual was overwhelming and they have committed a total of R1 million to the project (over a three-year period) and the project seeks to acquire a sizeable tractor, small scale irrigation, fencing and provide seedlings for this project. The project will be rolled out in the 2008/2009 financial year.

- **Agricultural Sector Plan:** Umdoni Municipality has completed an agricultural sector plan that investigated the status quo of the sector in the Municipality and developed a strategy that will stimulate the growth and sustainability of the sector in the Municipality. The strategy was developed in consultation with the Department of Agriculture and all the relevant stakeholders.

Manufacturing Sector Support

- **The Park Rynie industrial site** has been the centre of the manufacturing sector in the Umdoni Area. Ugu District Municipality has been supportive of this project and has funded a feasibility study that is looking to rehabilitate, rejuvenate and foster investment in the Umdoni area. The study is now complete and a campaign has been embarked upon to raise funds for the Project.
- **The Umdoni Industrial Development strategy:** The strategy is in its final stage as it is now preparing for the close out report. The strategy is considering several interventions to stimulate more industrial parks in the Umdoni Area, and sustainability of these industrial parks.

Cross cutting interventions

Close working relations with the following business support agencies have been established:

- SEDA
- Umsobomvu Youth Fund
- Ithala
- ESS.

All the above agencies are mandated to support emerging business, including cooperatives, with business related services and also with financial support.

Rural Development

Alternative Energy Project

In the financial year 2006/2007, 1 000 households benefited from the alternative energy project. During the financial year 2007/2008 a further 1 000 households benefited from this project where Umdoni bought and distributed 1 000 stoves at R107 each, which totalled R107 160, and bought and distributed 2 000 gel five litre units monthly to the 2 000 benefiting households. The price of each five litre unit was approximately R 43 and R800 for each delivery.

Areas that benefited from the project were:

Ward	Area	Number of Households	
		2006/2007	2007/2008
Ward 1	Mgobhuzini	100	20
	Lwasini	100	10
Ward 2	Okhalweni	121	NIL
	Mgwempisi	115	
Ward 3	Roseville	100 200	186
	Alexandra		66
	Mbetheni		20
	Kiss Kiss		86
Ward 6	Hazelwood	101	70
	Sanathan	163	522
	NPA		20
TOTAL		1 000	1 000

Delivering gel for gel stoves to the community as part of the alternative energy project.



Rural Development Plan/Strategy

When comparing the urban and rural components of Umdoni Municipality, one notices that the rural component is far behind the urban component with regard to development. This has triggered the Municipality to develop a rural development plan which will cover the following areas:

- Identification and assessment of the poverty alleviation projects being implemented within the municipal areas.
- Stakeholder identification and mobilisation.
- Formulation of a coordinating strategy and development of an implementation plan.
- Spatial referencing of all the existing and potential rural development projects.

Though the project commenced in the 2007/2008 financial year, its completion will only be realised in the 2008/2009 financial year.

Institutional Transformation: Formation of a Fully Representative Business Chamber

The Umdoni Municipality supported the formation of a fully representative Business Chamber in 2007 and in support of this organisation Umdoni provided the Umdoni Business Chamber (UBC) with furnished temporary office accommodation in the Scottburgh Library offices. The office is now operational with a full time administrator setting up the initial requirements of establishing an accurate and reliable database to communicate to existing members, as well as potential new members of the UBC.

The UBC also provided Umdoni with an interim constitution and requested that Council appoint two representatives on the UBC's Executive Committee as non-voting members. Councillor R Meyer and the Senior Manager Strategic Planning and Development were nominated as Council's Representatives on this body.

As a partner with the Umdoni Municipality, the UBC is now establishing foundations that offer a variety of services in the promotion of best practice in the business for small, medium and micro enterprises (SMMEs) and particularly in skills development and training to emerging and active businesses in the Umdoni region.

The UBC will be addressing issues which impact on potential growth and encouragement of new business in the area, and the primary objective will be to encourage economic growth and ensure social upliftment of the business community in addressing the specific needs of SMME development and to encourage potential businesses to engage with other organisations within the Umdoni municipal jurisdiction. In this regard, the Council also requested that the UBC investigate practical ways of addressing the informal trading issues and make the necessary recommendations to Council.

The spirit of cooperation between the local authority and the Chamber is extremely positive and the UBC has commenced with awareness programmes to encourage existing businesses to become part of the process for the betterment of all communities by providing growth of business and job opportunities.

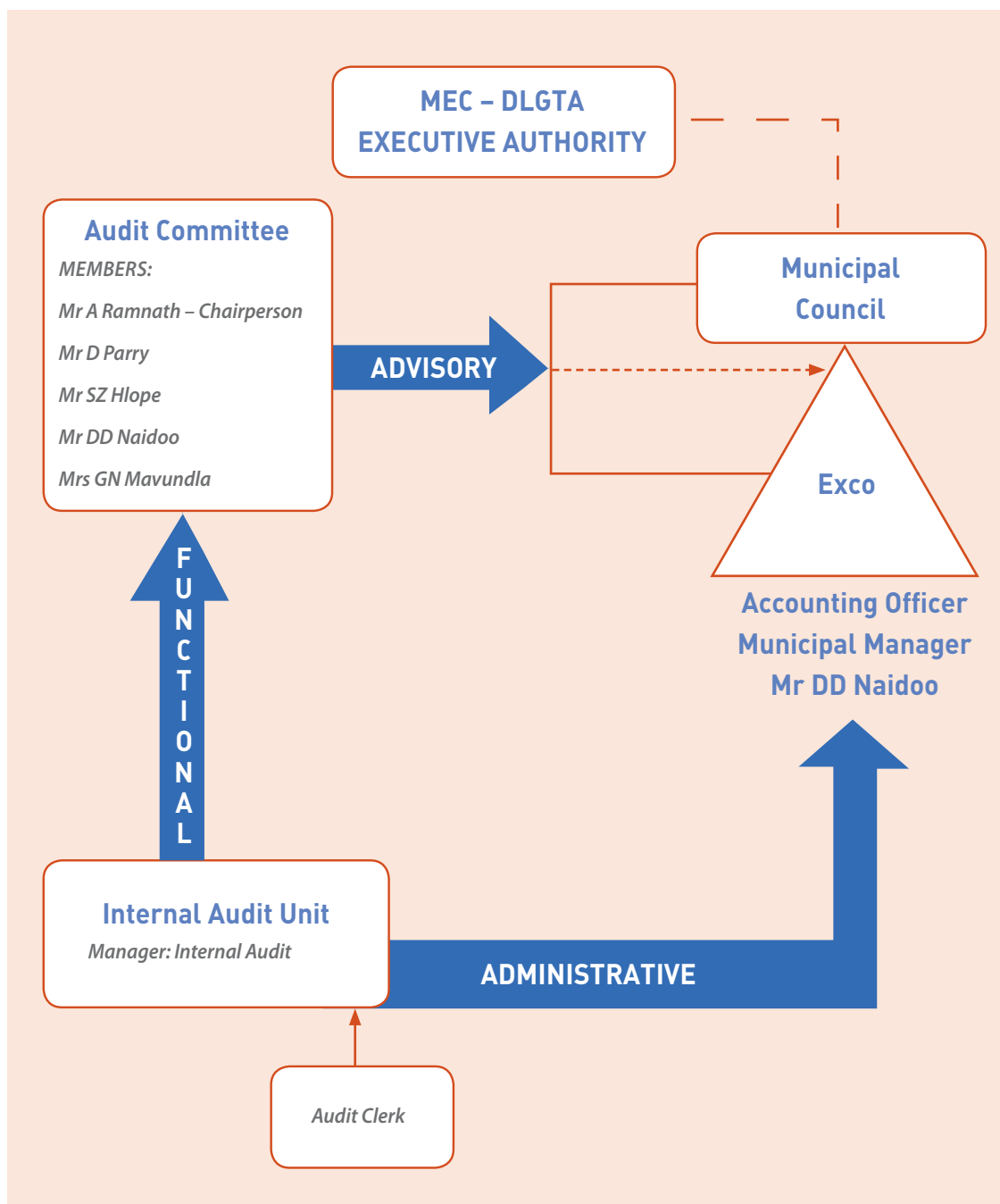
Internal Audit Section

Governed within the prescript of legislature, the Internal Audit unit functions within the primary principles as contained in salient Local Government legislature, specific to the requirements of MFMA No. 56 of 2003 and the Standards set down by the IIASA (Institute of Internal Auditors of South Africa).

The onslaught of emphasis on public accountability has been encapsulated within the culture of transformational, reconstructive and developmental government. The Municipal Manager, being served with a guiding tool as the 'Chief Accounting Officer' of Administrative Governance, enhanced by the proliferation of audit based accountability, Umdoni's new Vision and Mission statement captures the purpose of the Internal Audit unit appropriately.

Structure

Parallel to Section 165, Chapter 14, of the Municipal Finance Management Act (MFMA), Umdoni Municipality continues to sustain its own Internal Audit Unit. As per legislative directives, the unit is statutorily driven as follows:



The Audit Committee and the Internal Audit Unit are governed by their respective charters which are reviewed and adopted annually by Council. The Audit Committee reports directly to Council. The committee comprises five members, three of which are external members who have been recruited via public tender. As indicative in the structure above, they are Mr A Ramnath, who is the Chairperson, Mr D Parry and the year under review called for the introduction of a new member in the form of Mr SZ Hlope, who replaced Mr N Read. The other two members are part of Umdoni Municipality's senior management team, being the Municipal Manager, Mr

DD Naidoo, and the General Manager: Corporate Services, Mrs GN Mavundla. The Manager: Internal Audit, Mrs N Harisingh and the General Manager: Financial Services, Mr A Nunkumar fulfill their roles as in-attendance at the Audit Committee as per the Audit Committee Charter.

Functions

Internal Audit provides an independent, objective assurance and consulting activity that adds value and improves the operations of the Municipality. It helps the organisation to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management audit controls and governance processes.

Internal Audit functions as follows on a daily basis with respect to routine matters:

- provides a set of guidelines;
- provides Best Practice Policies; and
- provides guidelines that are not prescriptive.

The Internal Audit Unit utilises the standards as set by the Institute of Internal Auditors (IIASA), a body which functions within a professional practice framework being the Standards of Best Practice of Internal Auditing.

In its process, analysis and evaluation, Internal Audit identifies with engagement planning, objectives and execution throughout its interaction on a daily basis, be it with line function managers or external auditors, including the Auditor-General, as governed by the Public Audit Act 25 of 2004.

Internal Audit has endeavoured to be very strong on its code of ethics and this has been and is extremely challenging in the current local government.

Achievements

Audit Environment

The year under review brought with it a promising change to the internal audit environment, in comparison to previous years, for the Municipality. As a commitment to the operations of internal audit, the Chief Accounting Officer allocated a dedicated suite of offices for the unit to function as is ideally expected. To this end the Internal Audit Unit is grateful to management for creating this conducive and comfortable working environment. Whilst gracing this office space, one can undoubtedly identify with the service delivery process and the productivity line, which can only be aligned to 'job satisfaction'.

Risk Assessment

A risk-based audit plan which spans a three-year period has been adopted by the Audit Committee. Subsequent to an annual revision of the Risk Assessment Register, an Annual Audit Plan is prepared. Risk is addressed in the following categories:

- Operational
- Strategic
- Informational
- Financial
- Legislative
- Reputational/Social

and is monitored on a low, medium and high rating scale.

Audit Plan 2007/2008: Internal Audit Projects

Internal Audit Projects were planned and executed as follows:

	Assignments	Jul 2007	Aug 2007	Sep 2007	Oct 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008
1	Review of Risk Assessment												
2	Review of PMS												
3	Follow up – Debt Recovery												
4	Follow up – Housing (Finance and Admin)*												
5	Follow up – HR and Payroll												
6	Follow up – Traffic Management												
7	Financial Statement Close Process												
8	IT Audit Review*												
9	Review of Contracts, Leases and Agreements												
10	Order to Cash												
11	Asset Management												
12	Compliance with Municipal Finance Management Act												

* Projects were held in abeyance due to operational reasons and subsequent to further assessment have been deferred for completion in the next financial year.

Training Programmes/Workshops

As a support and commitment towards ensuring the strengthening of the unit, officials have been afforded the opportunities of being nominated for and participating in training programmes, workshops and conferences as follows:

- Finance for Non Finance Managers; (Ms Lukhozi)
- Internal Audit Indaba; (Ms Lukhozi)/(Ms Harisingh)
- Performance Audit Training; (Ms Harisingh)
- Executive Leadership Municipal Development Programme (Ms Harisingh)
- BCompt Degree in Accounting Science (UNISA) (Ms Lukhozi)

Audit Report 2006/2007: Plan of Corrective Measures

Internal Audit was tasked with the compilation of the Risk Management Strategy and Fraud Prevention Plan. This was successfully completed and submitted to Council in July 2008 for adoption. Roll-out programmes are expected to ensue with all relevant stakeholders and roleplayers in the forthcoming financial year.

Good Governance

Today one of the biggest threats to development in many countries is corruption. It weakens fundamental systems, it distorts markets, and it encourages people to apply their skills and energies in non-productive ways. In the end governments and citizens will pay a price, a price in lower incomes (and) lower investment.

In local government the end result would be its inability to deliver services in the manner in which government has promised its citizens. In essence, public discontent about service delivery is frequently related to issues of governance. Good Governance is described as 'involving fairness, accountability, responsibility and transparency on a foundation of intellectual honesty'. Without these qualities, municipal representatives and

officials will not be able to collaborate with their own communities, and will not be able to fulfill their roles in terms of managing efficient organizations with accountability, devising policies and budgets, exercising financial controls and procurement procedures, as well as implementing all aspects of delivery with the desired quality: Targets will not be met, and residents will not be satisfied.

Corporate governance became firmly accepted as not only a legitimate management requisite, but also as a necessary means to address competing interests, social and environmental responsibilities, the need for increased efficiencies, combating corruption and increasing the incidence of ethical conduct. With the myriad of support mechanisms in place and the increasing national emphasis on accountability and delivery, management performance has probably improved across the board.

Increasingly, governance in the municipal context is seen as embracing inclusive practices, transparency, performance evaluations, the use of reliable financial systems, the inclusion of risk management and various forms of internal financial control, as well as a range of audits, from financial to compliance audits. Governance begins with sound structuring and organisation, good planning and the creation of mechanisms for participation and accountability. That governance is firmly on the local government agenda is clear from the frequency with which it is mentioned at and included in conference, workshop and forum programmes.

Planned Developments

Delivering our constitutional and statutory duties, the unit fulfils this mission by primarily contracting the following strategy for the 2008/2009 financial year:

Key Performance Areas	Sub-Programme	Strategy Process	Objectives
Financial Viability	Maintenance of an Unqualified Audit Report	Annual High Level Mini-Audit i.c.w. Mid-Year Close Process of Annual Financial Statements	Ensure sustainability of the unqualified status
Governance	<ul style="list-style-type: none"> Fraud Hotline and Whistle-blowing Fraud Prevention Plan – Implementation 	<ul style="list-style-type: none"> Introduce a Local Fraud Hotline and Whistle-blowing Process Formulate, adopt, implement Fraud Prevention Plan 	Ensure that fraudulent and corrupt activities be detected, reduced and prevented
Governance	Risk Management Strategy and Risk Management Committee	<ul style="list-style-type: none"> Formulate and Adopt Risk Management Strategy Establish a Risk Management Committee 	The Municipality must endeavour to reach a break-even point between risk and control to establish a conducive environment
Governance	Policies, Procedures and Systems	<ul style="list-style-type: none"> Ensure the formulation and adoption of policies and procedures Ensure processes in place to acquire systems 	Ensure the adoption of policies, procedures and the acquisitions of systems
Institutional Development	Understanding the Purpose (Functions and Operations) of Internal Audit	<ul style="list-style-type: none"> Ensure that Councillors and Officials have a clear understanding of the purpose of Internal Audit. 	Ensure that Councillors and officials are workshopped on the purpose of Internal Audit in the workplace.
Institutional Development	Skills Development: Audit Interns, Trainees or Technicians and Students	<ul style="list-style-type: none"> Ensure that Umdoni Municipality is able to breed a strong and conducive environment by focusing on skills development Ensure that a fully fledged, highly skilled Internal Audit unit in keeping in alignment of growth and development 	<ul style="list-style-type: none"> Ensure the introduction of the internship/training programme Ensure the recruitment of such affected PDLs – Community Contribution

Community Services Department

Clinics

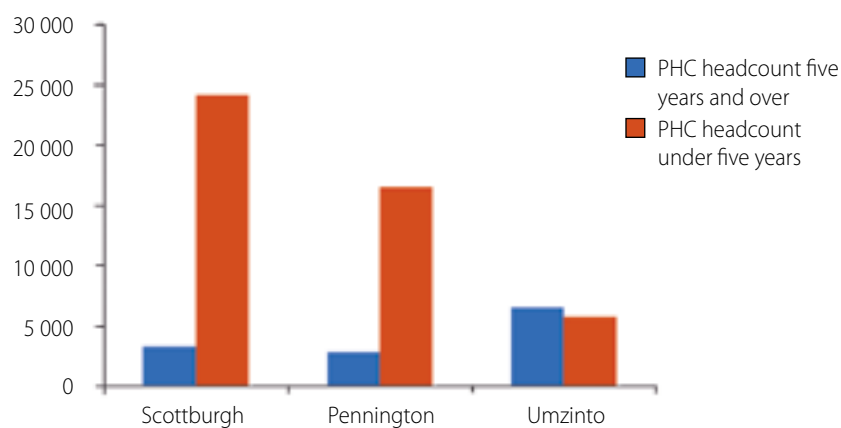
Routine Summary of Clinic Statistics

July 2007 to June 2008			
	Scottburgh	Pennington	Umzinto
PHC headcount under five years	3 273	2 814	6 535
PHC headcount five years and over	24 109	16 499	5 759
July 2006 to June 2007			
	Scottburgh	Pennington	Umzinto
PHC Headcount under five years	6 311	5704	5 592
PHC Headcount five years and over	19 852	13 858	5 921

*PHC – Primary Health Care

There are four nurses at the Scottburgh Clinic, three nurses at the Pennington Clinic and two nurses at the Umzinto Clinic. The Scottburgh and Pennington Clinics have HIV Counsellors who are available during operating hours.

Primary Health Care July 2007 to June 2008

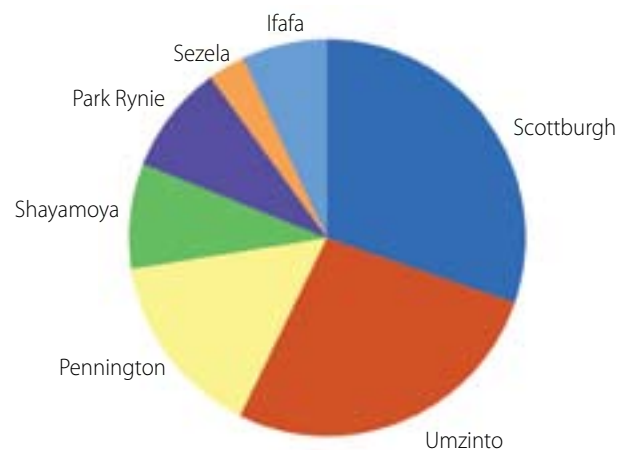


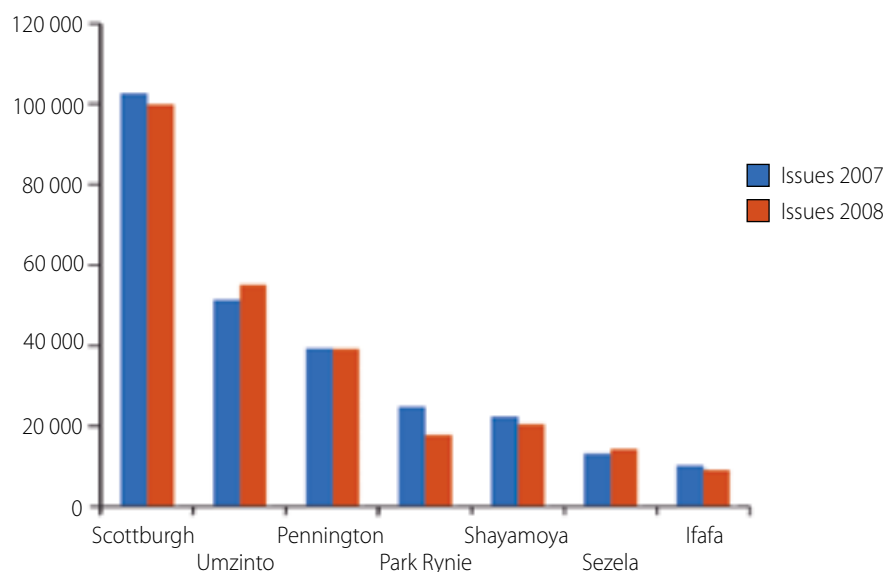
Libraries

Statistics for July 2006 to June 2007								
		Scottburgh	Umzinto	Pennington	Park Rynie	Shayamoya	Sezela	Ifafa
Issues	Prints	97 793	46 318	36 711	22 017	20 405	10 852	10 078
	Non-prints	4 851	5 012	2 605	2 741	1 963	2 320	132
Total		102 664	51 330	39 316	24 758	22 368	13 172	10 210
Adults		2 876	1 659	1 469	547	399	462	409
Youth		324	696	74	157	233	150	103
Juvenile		587	873	281	302	341	160	343
Members		3 787	3 228	1 824	1 006	973	772	855

Statistics for Umdoni Libraries – July 2007 to June 2008								
		Scottburgh	Umzinto	Pennington	Park Rynie	Shayamoya	Sezela	Ifafa
Issues	Prints	95 525	51 271	36 422	16 197	18 236	11 833	8 826
	Non-prints	4 363	3 817	2 760	1 739	2 219	2 499	233
Total		99 888	55 088	39 182	17 936	20 455	14 332	9 059
Adults		2 773	1 704	1 508	575	432	224	407
Youth		364	698	75	166	246	65	106
Juvenile		565	862	280	319	389	86	337
Members		3 702	3 264	1 863	1 060	1 067	375	850

Membership per library July 2007 to June 2008



Library issues July 2006 to 2007 and June 2007 to June 2008

Official Opening of the Sezela Library

Umdoni Municipality in partnership with the KZN Department of Arts, Culture and Tourism officially opened the Sezela Public Library on 14 August 2007. The MEC of Arts, Culture and Tourism for KZN, Mrs Weziwe Thusi, and Umdoni Municipality's Mayor, Cllr NH Gumede unveiled the plaque.

The library was built and equipped with funding provided by the KZN Provincial Public Library and Information Services and the Umdoni Municipality. Learners and educators from local schools attended the function. In her speech, the MEC urged parents and teachers to encourage learners to utilise the library.

Shortly after the opening, the learners from Pennington Primary School visited the library and began making good use of the library resources. The library had several campaigns aimed at encouraging a culture of reading. The library conducted an outreach programme where the librarian visited the local residents including the surrounding schools and churches. Various activities such as painting, handcrafts, knitting and puzzle building were undertaken to encourage locals to utilise the library.



Malangeni Public Library

The KZN Library Services approved the project at a cost of R10 000 000 and on condition that the Council funds the balance of R1 700 000. Their grant is based on building costs, inclusive of library fittings, furniture, staff facilities and directly related items only.

The chosen site forms part of Council owned property on which the Malangeni Multi Purpose Community Centre and Sportsfield is situated. This area requires substantial site clearing of disused structures, levelling, retention of embankments, drainage, sewage disposal facilities, access and internal roads and parking areas for which Umdoni Municipality is expected to provide the necessary financing.

A substantial portion of the cost will be the provision of a suitable access road to the site which had previously been identified for a future project as it will serve the entire development which now includes the police station.

The construction of the library commenced on 23 June 2008. The foundations, concrete slab and pillars are in place and the estimated date for completion is mid-2009.

The library will be equipped with the necessary materials and will benefit the Malangeni Community.

Construction at Malangeni Library in Ward 8.





Scottburgh beach.

Beach Section

Umdoni Municipality has 12 beaches within its jurisdiction, of which nine are seasonal beaches, the Scottburgh Main Beach being the only all year round beach and two weekend beaches are Park Rynie and Pennington Beaches, where Lifeguard services are provided on weekends, public holidays and during seasonal holiday periods. There are four permanent lifeguards at Scottburgh Main Beach, two weekend temporary Lifeguards at Pennington Main Beach and four weekend temporary lifeguards at the Park Rynie Main Beach. A total of 34 Lifeguards work the other seasonal beaches. Twelve permanent general workers and 20 additional cleaners assist in keeping the beaches and facilities clean.

- Bathing was banned for 49 days: (two days due to shark activity and 47 due to rivers flooding);
- River Pollution: 74 days.

The estimated number of people that visited the Umdoni beaches during the year	315 145
First Aid	1 010 (persons were treated)
Marine stings	479
Drowning	3
Administered oxygen	4
Serious cuts	4
Spinal injury	1
Broken hands	2
Dislocated knees	2
Shark bite	1
Total Rescues	459 (63 were performed using the rescue boards, five were performed using the Inflatable Rescue boat)

Sardine Run

The Sardine Run is the main attraction to our coast line but unfortunately this year the Annual Sardine Run did not live up to its expectation, however the crowd that came to see the 'Greatest Shoal on Earth' were still enthralled.

Blue Flag

Due to the water quality in the lagoon, which to a degree affects the water quality of the sea, the criteria as set down by Blue Flag International is still not being met.

Tidal Surge and Flood Disaster

The tidal surge of March 2007 which brought large swells together with the heavy rains of June 2008 caused extensive damage to the coastline and deposited tons of debris on the beaches. Some dunes were washed away and two of the ski boat launch sites suffered extensive damages. Some of the shark nets were dislodged.

Scottburgh was proud to host the following competitions:

- Jeep Long Board and Kite Competition
- The Billabong 'Girls Get Out There' surfing competition
- The O'Neill and Island Style surfing competitions
- Local Surf Club 'Skulls Surf Club' monthly competitions
- The Annual SANI2C cycle race which starts at Underberg and finishes at Scottburgh Main Beach, still runs through our beach although the finish has moved to the local high school.

Campsite – Park Rynie

The Campsite at Park Rynie is approximately 1km long and 50 metres wide. It is boarded by the railway line to the west and the Indian Ocean to the east.

There are four blocks of toilets, a change room and shower facilities for both male and female patrons. This is a cold water camping facility and has piped water and adequate street lighting.

1 804 camping sites were used for the period under review and 3 736 picnic sites were used during the same period. The biggest challenges facing the Municipality is vandalism, burglaries and the abuse of municipal staff during the vacation season. The campsite has two permanent general workers and an additional 20 cleaners during the seasonal periods.

Community Facilities

Community Halls

Umdoni Municipality has four Community Halls and two Town Halls. The facilities are all equipped with tables and chairs. The Umzinto Town Hall was completed in the 2006/2007 financial year. The hall is fully equipped with furniture and is booked regularly. A new 200-seater dining hall is nearing completion and will be ready for use during the 2008/2009 financial year.

The Amandawe and Amahlongwa Halls have been upgraded. The Scottburgh Town Hall will be upgraded in the 2008/2009 financial year at a cost of R2 million.



Umzinto Dining Hall and Umzinto Town Hall.

Sportsfields

There are five sportsfields in the Municipality. The Umzinto and Malangeni sportsfields are currently being upgraded with floodlights and the resurfacing of the grounds.



The Malangeni Sportsfield consists of a ground with a seating area, combi court and a change room.



Umzinto Sportsfield.

Crèches

The crèches in the Umdoni area are currently being upgraded. The Ghandinagar Crèche is presently being leased out.



The Ghandinagar creche.

Cemeteries

The Shayamoya Cemetery is fully operational. The cemetery is fenced and can accommodate 2 000 graves. Future upgrades of this cemetery will include tarring of the parking area and erecting of waiting shelters.

The Humberdale Cemetery land has been purchased and the first phase of construction will commence in the 2008/2009 financial year.

Protection Services

Traffic

Written notices issued to offenders for the 2007/2008 financial period	2 681
Anticipated revenue for the 2007/2008 period	R1 441 212
Spot fines	746
Anticipated income from spot fines	R307 300
Number of accidents attended to by the traffic staff	53

Training afforded to traffic personnel was the traffic wardens course in Southport. This was a combined programme by the South African Police Services and the Umdoni Protection Services. Seven trainee traffic wardens and three permanent members attended the training. There was a 100% pass rate.

Thirteen traffic personnel also attended the basic firearm training at the Fidelity Guard Training Centre. A 100% pass rate was also achieved.

Two new vehicles were allocated to the section. A new Isuzu double cab was purchased and the section was allocated a Toyota Corolla.

This department now has a fleet of two motorbikes and nine light motor vehicles.

A total of five traffic wardens have resigned and four new wardens were appointed.

A total of 328 taxis and nine buses are registered in the Umdoni Municipality jurisdiction. 207 informal traders are registered on the Municipal database.



Traffic officers at the protection services graduation ceremony.

Revenue Generated in the 2007/2008 Financial Year

Traffic fines	R493 675
Drivers license	R3 142 651
Road worthy test	R74 784
Informal traders	R8 896
Taxi fees	R13 457
Motor licensing	R10 115 124 (Province's contribution) R945 450 (Umdoni's contribution)
Total number of transactions that were processed at the Motor Licensing Division during the 2007/2008 financial year	R30 785

Fire/rescue and Disaster Management

House fires	43
School fires	2
Industrial fires	28
Bush fires	231
Fallen trees	28
Motor vehicle accidents	41

The Fire Department embarked on a proactive approach, and part of this campaign was to inspect business houses and also to advise the building control officials on minimum requirements on fire related issues:

A total of 85 business houses were inspected.

Other routine inspections totalled	255
Hazmat inspections	8
High risk premises	7
Site inspections	6
Building plans	15

Attended to 11 entrapments and among the entrapped were 15 fatalities.

The Fire Department embarked on a shared service responsibility for the following Municipalities, ie. Umzumbe and Vulamehlo. This was restricted to only fire/rescue and Disaster Management Services.



Construction of the Disaster Management Centre, Umzinto, Ward 6.

Attended to disaster	
Umzumbe Municipality	10 house fires and 20 bush fires
Vulamehlo Municipality	Four house fires and two major MVA, with entrapments and four fatalities.

The shared services programme allowed for the purchase of two fully fitted skid units and 1 fully fitted rescue vehicle.

The Occupational Health and Safety Committee was established in October 2007. A total of 11 representatives serve on the board to discuss and raise issues relating to health and safety matters.. 4 incidents were reported, investigated and dealt with accordingly.

Housing Section

The Municipality has a dedicated Housing Section under the Community Services Department and a Housing Debtors section under the Finance Department. Four housing projects catering for the rural and urban low income groups have been initiated and are at various stages of implementation.

Project 1: Ifafa Glebe Housing Project In Malangeni

This project was undertaken by a section 21 company. The Department of Housing approved a subsidy application for 1 981 beneficiaries.

The construction of 1 830 housing units has been completed and the construction of 36 housing units has been partially completed.

40 houses were made available to shelter victims who lost their dwellings in the June floods.

Vandalism and theft of building materials, such as the removal of windows and doors from partially completed buildings, is posing a serious problem.

Project 2: Malangeni Rural Housing Project

The Department of Housing approved a subsidy application for 1 042 beneficiaries. The Development Facilitation Act [DFA] hearing was held on 22 February 2008. The Implementing Agent is in the process of procuring a contractor. Construction is expected to commence in October/November 2008.

Project 3: Amahlongwa Rural Housing Project

The Department of Housing approved the subsidy application for 1 000 beneficiaries.

Project application documents were lodged and dates for the DFA hearing have been set as:

- 29 September 2008: Pre-hearing Meeting
- 3 November 2008: Site Inspection
- 4 November 2008: DFA Hearing

Construction of houses is expected to commence in May 2009.

Project 4: Umzinto Slums Clearance – Farm Isonti Project

A milestone was achieved when the re-demarcation of development land into the juristic boundaries of the Umdoni Municipality was gazetted in December 2007. When completed, this project will house some 2 200 families who are currently living in informal settlements. The MEC for Local Government, Housing and Traditional Affairs has approved the project in principle. Regular stakeholders meetings will be held to ensure that the project is completed timeously. The Project planning and communication with the Departments of Land Affairs and the Department of Housing is ongoing.



Sanathan informal settlement, Ward 6.

Enhanced Extended Discount Benefit Scheme

With approved funding from the Department of Housing, housing stock has been transferred from the Municipality to beneficiaries in the Ghandinagar Township.

231 title deeds have been registered in the name of beneficiaries.

68 applications for transfer are being processed by local attorneys appointed to undertake the conveyancing. Some 341 beneficiaries who have not yet taken advantage of the scheme are being encouraged to do so.

Special Project Housing for Destitute Families

Six houses have been approved for destitute families. Five houses were completed and handed over to beneficiaries. A contractor has been appointed for the construction of the sixth house which should commence in September 2008.

Slums Policy and Re-emergence of Slums

Council has adopted a policy in line with the Prevention of Illegal Eviction (PIE) Act and will implement the same to monitor and control housing development.

Flood Damage

The floods that ravaged the South Coast of KwaZulu-Natal in June 2008 wreaked havoc and damaged our housing projects, especially in Umzinto. The challenges that faced the Municipality were enormous.

Severe structural damages were caused to Blocks Hibiscus and Blocks Mahogany in River Side Park, comprising 10 flats. These flats have been condemned and will be demolished. Two new replacements blocks will be built. Damage to other flats were repaired and made habitable.

Flooding of houses with water level as high as two metres in the houses in the Ghandinagar Township has caused immense damage and traumatised the residents who have suffered previously from flooding of a smaller magnitude. Clearly the houses that were built on a flood plain have to be demolished and replacement dwellings have to be built on higher ground.

Temporary Emergency Housing

About 700 Emergency Housing Units will be constructed by the Department of Housing to cater for the victims of the flood disaster on a site to be identified. This project will offer temporary relief to those families whose dwellings were severely damaged, especially in the informal settlements. This is a short-term measure until the Farm Isonti project is completed and the beneficiaries will be relocated to Farm Isonti.

Special Programmes

The Office of Special Programmes has a Manager: Special Programmes and three volunteers who are assisting on coordination of Programmes. A volunteer assists with the coordination of Youth Development Programmes and a Programme on Orphans and Vulnerable Children. The second volunteer coordinates the Sports and Recreation Programme and Senior Citizens and the third volunteer coordinates the HIV and Aids Programme, the Women/Gender Programme and the Programme on People with Disabilities.

Departmental Functions

This section is responsible for coordination, initiating and implementation of Programmes targeted for vulnerable groups. The vulnerable groups, as prioritised by National and Provincial Government, are as follows:

- Youth
- Women
- People living with Aids and HIV
- People with disabilities
- Orphans and vulnerable children
- Senior citizens or older persons
- Sports and recreation programmes.

Departmental Achievements

Disability

The Strategic Planning workshop for Disability Programme was held on 3 June 2008.

The objectives were to provide a platform for various stakeholders to have their inputs in the process of development of disability sensitive implementation strategies and develop a draft strategy as a short and medium term guide in implementation of programmes that are targeted for people with disabilities. The strategy aimed at ensuring that needs of people with disabilities within our Municipality is addressed and that vulnerable communities as organised formations or individuals that approach us for assistance in terms of our mandate receive assistance and support.

HIV and Aids Conference and Launch of Aids Council

The Umdoni Municipality HIV and Aids Conference and the launch of Umdoni Aids Council were held on 2-3 August 2007, at Umzinto Town Hall. More than 190 delegates from government departments, non governmental organisations in the Aids sector, support groups, Umdoni Municipality and wards attended the conference.

The conference, hosted under the theme of 'Local Government strengthening its partnership to fight HIV and Aids and Poverty was separated into commissions to facilitate discussions on key pillars. The five commissions were Prevention, Education and Awareness; Treatment, Care and Support; Support for Vulnerable Children; Policy, administration and Human Rights issues; Coordination at a municipal level.

The Umdoni Local Aids Council, officiated by the Honorable MEC Mrs Peggy Nkonyeni, was launched on the second day of the conference. Umdoni Local Aids Council, chaired by Her Worship, The Mayor Councillor Ntombifikile Gumede, is a multi-stakeholder forum represented by senior officials from Department of Health, Social Development, Correctional Services, Agriculture, Education as well as NGOs and civil society structures.

Umdoni Local Aids Council Strategic Planning Workshop

The workshop was held on the 12 November 2007 in Mthunzi Conference Centre in Braemar and was attended by members, Office of the Premier and Department of Provincial and Local Government.

The objective of the workshop was to review the discussions and resolutions of HIV and Aids Conference with an objective to incorporate them to our action plan (2007/2008) and it will also assist the Aids Council to review and discuss draft municipal HIV and Aids plan (2007/2008), identify priority areas and gaps in order to develop coordination mechanisms and integration components within all sectors.

Municipal Youth Development Policy Conference

The conference held on 11-12 December 2007 at Protea Hotel Karridene Beach was to discuss and develop a Municipal Youth Development Policy Framework.

The Municipal Youth Development Policy Framework represented an important milestone towards an integrated and holistic approach to youth development for the advantage of the young people and our Municipality specifically, and for South Africa as a whole.

An important departure point for integrated youth development lies in the active involvement of young people in local and national development. The Municipal Youth Development Policy Framework provides a foundation and mechanism for youth participation in socio-economic development whilst recognising that young people should be protagonists of their own development and not merely recipients of municipal support.

The objectives were to develop an effective, coordinated and holistic response to challenges facing young people; to create an enabling and supportive environment for young people to reach their maximum socio-economic potential; and to locate youth development in a holistic strategy that encompasses political, economic and social dimensions.

This consultative conference was all-inclusive for civil organisations and other strategic stakeholders representing broader youth interests. The total number of delegates was 60, and included representatives from Umdoni Youth Council, religious groups, wards youth forums, politically affiliated youth organisations and young entrepreneurs.

Strategic partners that were part of the conference were KZN Youth Commission, Umsobomvu Youth Fund, Ugu District Municipality and others.

National Youth Service Programme – Proud to Serve Campaign

The programme was facilitated in partnership with NYS based in the Umsobomvu Youth Fund offices. The main objective of the programme is to instill a culture of volunteerism among the youth and encourage them to be resources in their communities.

The programme was a five-day project held in different wards. On the first day we had a cleaning campaign in Sanathan Informal Settlement in Ward 6. On the second and third day we had a similar campaign in Amandawe Ward 4 and 5. On a fourth day we had a youth against crime walk from Inkombe to Mhlangamkhulu and lastly we had a drugs and substance abuse awareness campaign in Ghandinagar.

The campaign was well attended by 200 young people who volunteered their services, servicing their communities.

Women Programmes

Official Launch of Umdoni Women Council

The official launch of Umdoni Women Council was held on 10 December 2007 at Umzinto Town Hall. The launch, attended by more than 150 women from all Wards and politically affiliated organisations was officiated by our own Mayor Councillor NH Gumede.

The main objective of the launch was to introduce the committee that was constituted in 2006 with a hope to revive it.

Strategic Plan

The Strategic Planning Workshop for gender and women focal programme was held on 2 June 2008.

The objectives were to provide a platform for various stakeholders to have their inputs in the process of development of women development implementation strategies, as a short and medium term guide in the implementation of programmes that are targeted for women. The strategy aimed at ensuring that needs of women within our Municipality are addressed and that vulnerable communities as organised formations or individuals that approach us for assistance in terms of our mandate receive assistance and support.

Technical Services Department

The Technical Services Department is responsible for the following functions:

- Solid waste management: regular refuse collection service, disposal at landfill site, operation and maintenance thereof
- Maintenance of Council's facilities
- Design, construction and maintenance of roads and storm water drains
- Maintenance of Parks and Gardens: street and road verges, open spaces, sports fields, cemeteries and municipal owned properties
- Implementation of Capital Projects, including Municipal Infrastructure Grant projects
- Repair and maintenance of all municipal vehicles
- Building Control
- Town Planning
- Environmental Management
- Project Management.

The economic boom experienced in the latter part of 2007 continued in the form of property and the tourism sector, particularly along the coastal zone. As a result, capacity increased and it became necessary for this department to employ more permanent staff, interns and contract workers. Additional plant and equipment was purchased in order to cope with the increased need for service provision.

Technical Section

Roads and Stormwater

Achievements in this section have been the construction of Monkey Road in Umzinto, and the approval for reconstruction of Bakers Street in Sezela and Wright Lane in Park Rynie.

Work commenced on Bakers Street, but was washed away when the June 2008 floods occurred.

Challenges faced by this section are ageing vehicles and adverse weather conditions.

Regular maintenance and repair work was completed on all roads within the Umdoni area.

Structure of the Department

A new depot structure was approved by council, where the main depot will be split into three separate smaller depots which will be decentralised in order to serve the entire Umdoni area more efficiently, as follows:

Area 1	Area 2	Area 3
Mtwalume, Elysium, Ifafa, Bazley, Sezela, Malangeni and Pennington	Scottburgh South and Central, Freeland Park, Park Rynie, Amandawe and Amahlongwa	Umzinto, Ghandinagar, Esperanza, Shayamoya and the Cele area.

The following roads were re-sealed:

Area	Roads
Pennington	Pennington Drive, Douglas Road and Piet Retief Street
Sezela	Hibiscus Road and Beach Road
Bazley	Ridge Road and Hilltop Road
Ifafa	Bullock Road, Franklin Road and Leuchars Drive
Elysium	Elysium Way
Mtwalume	Dek Street, Buccaneers Road, Forepick Road and Cabin Road.



Other challenges facing this section are that roads are deteriorating rapidly into disrepair. Pothole repairs are done on a regular basis, but also contribute to further road erosion.

June 2008 Flood Damage

After the flood damage was assessed, the following items were referred to the Technical Services roads section for urgent repairs following the June 2008 storms. This disrupted routine planned works programmes due to the urgency of the situation.

Repairs were effected to the following areas:

- **Elysium, Ifafa and Bazley:**

Road repairs in Elysium, Ifafa and Bazley are largely completed.

- **Sezela:**

Work is still in progress on roads in Sezela.

- **Pennington:**

Umdoni Road South: New pipes were placed and the road filled. The road is now open to traffic. Further works are still in progress.

- **Umzinto:**

- Lilly Road: Road has been filled and is open to traffic. Further works are still in progress.
- Rajan Road: Road has been filled and is open to traffic. Further works are still in progress.
- Flower Road: Road repairs are complete. Road has been gravelled. Storm water pipes are still required.
- Lotus Road: Repairs completed.
- Camelfoot Road: Repairs 50% completed.
- Imbilibili Farm: Roads have been graded and gravelled.
- Alex Crescent: Repairs to storm water drainage system 80% complete.
- Informal Settlement Road: Graveling 60% complete.

- **Scottburgh:**

Repairs have been undertaken but are not complete.

- **Ann-Arbour Road:**

Repairs are complete.

- **Park Rynie:**

- Wright Lane: Graveling in progress.
- Minerva Avenue: Has been repaired.

- **Shayamoya:**

Myeza Lane: Road has been filled. Still to be completed when the road settles.

- **Ghandinagar:**

Roads have been patched.

- **Riverside Park:**

Extensive clean-up and repairs were completed.

- **Amandawe:**

Ezinkawini, Mphemba and Magcina Roads have been repaired. Gravel is still required. Work is still in progress on Gqayinyanga and Ntuthuko Roads.

- **Malangeni:**

Chiliza, Golokodo, KwaGoba, Bongumusa, Mtolo, Myende, Nkombo, Msani, Beniva School Road and Mgobhozi Roads – roads have been repaired but graveling still in progress. Work is still in progress on other roads in the Malangeni area.

- **Amahlongwa:**

Work is still in progress on all roads.

Stormwater Drains

Stormwater drainage systems have been constructed in the following areas:

- David Road servitude, Scottburgh
- 'Seahorse' Servitude behind Spar, Scottburgh
- Servitude from Caroline Lane to Arbuthnot Street, Scottburgh
- Alex Crescent, Umzinto
- Baker Street, Sezela
- Syringa Lane, Sezela.

Refuse Section

A summary of refuse removal statistics is indicated below:

Nature of Dwelling	Number of Units 2006/2007	Rand Value (amount incl. Vat) 2006/2007	Number of Units 2007/2008	Rand Value (amount incl. Vat) 2007/2008
Bed and Breakfasts	7 (Basic)	360	7 (Basic)	438
	Per Room	110	Per Room	134
Caravan Park	12 (Basic)	1 018	12 (Basic)	1 242
	Site	110	Site	134
	Chalet	360	Chalet	R438
Flats	100 (Basic)	35 938	100 (Basic)	43 838
Hotels	8 (Basic)	1 218	8 (Basic)	1 559
	Room	110	Room	134
Commercial	13 (Basic)	5 per 200kg	13 (Basic)	6 per 200kg
Macro Commercial	6 (Basic)	7 588	6 (Basic)	9 254
Medium Commercial	63 (Basic)	1 598	63 (Basic)	1 948
Micro Commercial	147 (Basic)	459	147 (Basic)	560
MTW Refuse: Mtwalume	112 (Basic)	359	112 (Basic)	438
Residential	4 522 (Basic)	359	4 750 (Basic)	438
Farm Residential	18 (Basic)	115	18 (Basic)	158
Small Commercial	118 (Basic)	799	118 (Basic)	974
Sports Recreational Club	17 (Basic)	Organisations R619 Worship – nil	17 (Basic)	Organisations R755 Worship – nil
Vacant Land refuse	1 178 (Basic)	115	1 178 (Basic)	140
Total units raised for refuse	10 750	51 300	10 972	61 699

Refuse is also removed from the following indigent areas: Ifafa Glebe, Sanathan, Roseville, Pine Road, NPA Camp, Alexandra, Archibalds, Ocean View – 2 900 per week.

Refuse Collection

Streets and toilets are cleaned seven days a week as per the set schedule. Informal settlements are cleaned twice per week. Refuse collection is often delayed due to major breakdowns.

Refuse bags are purchased and issued to indigent areas, and are also utilised for street cleaning purposes.

Twenty-two skips were purchased and were placed at Mtwalume, Bazley, Ifafa Glebe, Sihle High, Ifafa Primary, Ifafa Secondary, Hlambankulu School, Main Street Umzinto, Sanathan, Pick 'n Pay in Scottburgh, Shayamoya, Selborne, Pennington Mall and Club Marina. The skips were placed at these strategic points to allow for improvement in service delivery and are maintained on a weekly basis.

Two new refuse compactors were purchased. The service to Main Street in Umzinto was increased to six days per week.

After the heavy rains the refuse collection vehicles have to use the freeway from Mtwalume, Ifafa, Sezela and Pennington to the dump, which is causing more time delays.

The refuse collection service is a well-run and structured section, with very few complaints being received from the public.

Parks and Gardens

Approximately 150 trees were removed throughout the Umdoni area, due to having reached the end of their lifespan. The trees are mainly on verges and had to be removed to prevent damage to property or injury to people. Approximately 100 trees were trimmed.

The Scottburgh South and Freeland Park, Park Rynie North and South areas are serviced with internal staff and equipment. The Umzinto, Bazley, Ifafa, Elysium, Shayamoya, Esperanza and Mtwalume areas are serviced by contractors. Council vacant land is cleaned, as well as river beds and tree/bush overhang into Umdoni roads is trimmed.

Cemeteries

A survey is being undertaken to determine whether the Scottburgh Cemetery has reached its total capacity. Humberdale Cemetery Development – Phase One has been completed (refer to report on Capital Projects for further information). Shayamoya cemetery has been fenced and gates have been erected.

Building Maintenance Section

Routine repairs and maintenance of municipal buildings were undertaken by this section. Many of the office buildings were painted and repairs were undertaken to Riverside Park flats.

Workshop

This section was kept extremely busy with repairs and breakdowns to Council's vehicles.

Capital Projects (including Municipal Infrastructure Grant Projects)

Umdoni Municipality has been successful at spending its full Municipal Infrastructure Grant allocation every year since 2005/2006.

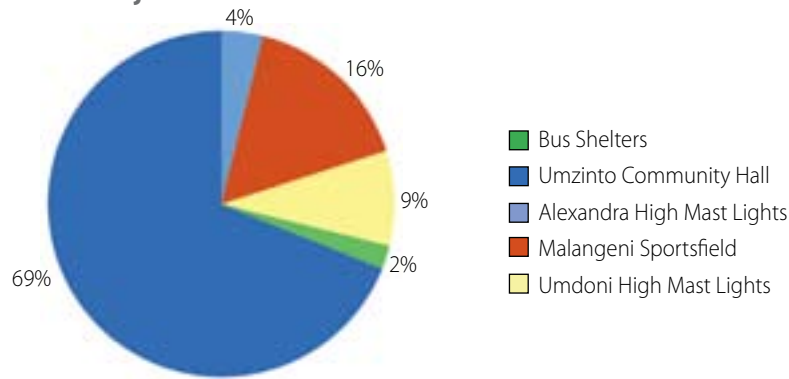
	2005/2006 First Year with Grant Funding	2006/2007 Second Year with Grant Funding	2007/2008 Third Year with Grant Funding
Allocation	R5 172 424	R3 007 618	R3 379 711
Expenditure	R5 172 424	R3 007 618	R3 379 711
Achievement	100%	100%	100%

2007/2008: Third Year Grant Funding

During the financial year 2007/2008, the total grant of R3 379 711 was expended on the following projects:

Project Name	Annual Value
Bus Shelters	R73 684
Umzinto Community Hall	R2 313 340
Alexandra High Mast Lights	R125 000
Malangeni Sportsfield	R556 517
Umdoni High Mast Lights	R311 169
	R3 379 711

Annual Expenditure on Projects



The approval of funding for the construction of the Ghandinagar Sportsfield has been obtained and funding is anticipated for the next phase for Humberdale Cemetery, Amandawe Sportsfield and Amahlongwa Sportsfield.

Further projects to the value of approximately R25 million have been confirmed and funding timeframes have been committed as follows:

Project Name	MIG Value R	2008/2009 R	2009/2010 R	2010/2011 R
Amandawe Sportsfield	1 783 000	1 709 316	73 684	
Ghandinagar Sportsfield	1 900 000	1 900 000	0	
Humberdale Cemetery – Phase 2	4 431 314		1 384 964	3 046 349
Bus Shelters	600 000	600 000		
Malangeni Sportsfield – Phase 2	744 900	744 900		
Umdoni Disaster Centre	5 063 380	114 562	3 948 818	
Umzinto Sportsfield	1 900 000		1 900 000	
Olwasini Sportsfield	1 900 000		1 900 000	
Umzinto Community Hall	2 641 804	328 463		
Humberdale Cemetery – Phase 3	4 600 000			4 600 000
	25 564 398	6 397 242	9 207 466	7 646 349
	Allocations	6 397 242	9 207 466	10 387 892

External Grant Funding

Umzinto Sportsfield Upgrade

The original contractor was appointed in November 2007 for the upgrade of the Umzinto Sportsfield. Several problems were experienced with the contractor and work on the project was also hampered by extensive rains.

The contractor worked until April 2008, completing the earthworks, fencing and renovation to the ablution block and security house. In the month of April 2008 the contractor abandoned the site. The decision was then taken to terminate his contract.

The engineers then appointed sub-contractors on items such as grassing, the goalposts and renovations of the building. The subcontractors have completed the subcontract work and the project is now in maintenance phase.

Phase II will follow when funding can be secured from the Municipal Infrastructure Grant during 2008/2009 and will consist of the provision of additional ablution facilities, the upgrading of vehicle parking area and public seating at an estimated cost of R1.5 million.

Malangeni Sportsfield

Phase I, at a cost of R1 587 000, will be completed during 2008/2009 but had been delayed as a result of the entry into Phase II, which consists of the installation of piped underground drainage to facilitate the enlargement of the playing field to more acceptable standards. The estimated cost for Phase II is R770 000 which will be procured from MIG funding, but in order to expedite completion, the Umdoni Municipality has provided bridging finance.

The project was delayed due to flood damage.

Malangeni Library

The project has commenced. The anticipated total cost of the project is R9 795 000 of which R8 561 000 has been received as a grant from KZN Provincial Library Services. The balance will be financed by Umdoni Municipality during the 2008/2009 financial year. The library will be situated on a portion of the land on which the Malangeni Multi-Purpose Community Centre and Sportsfield is situated.

Humberdale Cemetery

The acquisition of land for the establishment of a public cemetery was finalised during December 2007 and development plans are being prepared. Grant funding of approximately R5.8 million from MIG was secured and will be applied in a phased manner.

Bus Shelters

A tender for the construction of 15 bus shelters for which funding was secured from the Municipal Infrastructure Grant plan at an estimated cost of R600 000 was approved. Umdoni Municipality provided the necessary bridging finance, and the Municipal Infrastructure Grant was received. Completion is expected in the 2008/2009.

Ghandinagar, Amandawe and Amahlongwa Sportsfields

Construction of the Ghandinagar Sportsfield is expected to commence during September/October 2008 while the Amandawe and Amahlongwa Sportsfields will commence in the new calendar year.

Umzinto Town Hall: Dining Hall

The construction of the dining hall will be completed by October 2008. Funding for the project could be sourced from VAT refunds, savings on Umzinto Town Hall and/or a grant from Ugu District Municipality. This project will be included in the 2007/2008 capital budget.

Internal Funding

Riverside Park Upgrade

This project was well executed to a point, but it is unfortunate that in several instances damage occurred soon after completion of the repairs and the subcontractor had to be replaced which caused extensive delays in completion.

Building Control

Transformation

The Building Inspectorate of Umdoni Municipality has, over the past two years, transformed into the Building Control. Building Control's core function is to ensure compliance with the following legislation:

1. The Constitution of the Republic of South Africa
2. The National Building Regulations and Building Standards Act (No. 103 of 1977) as amended
3. The Umdoni Town Planning Scheme in place
4. National Environmental Management Act
5. Municipal By-Laws.

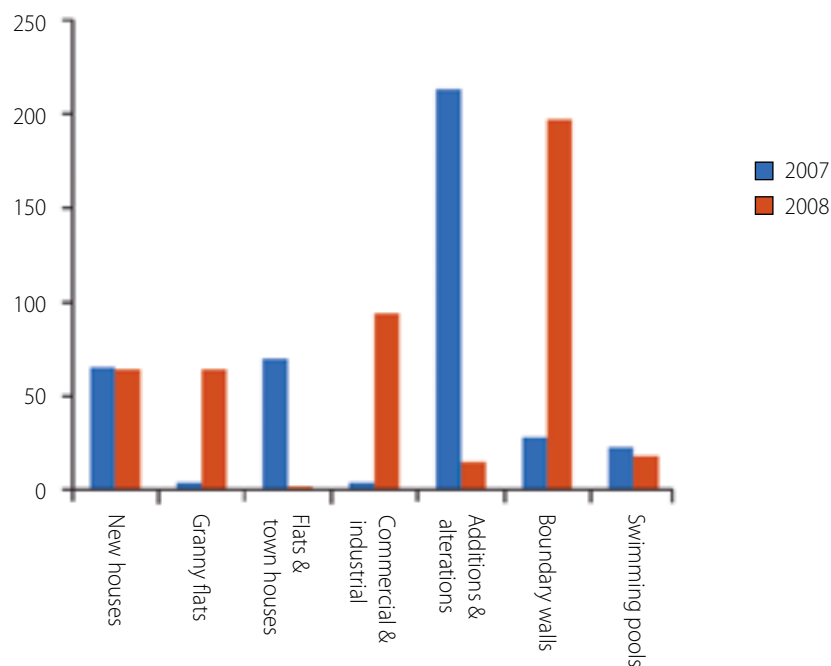
Building Control comprises seven staff members that service the 250km² of Umdoni Municipality. This department, together with Town Planning and Environmental Management stringently enforce the legislation as compliance officers to promote legal, safe and economically viable developments in the communities within Umdoni Municipality.

Building Applications

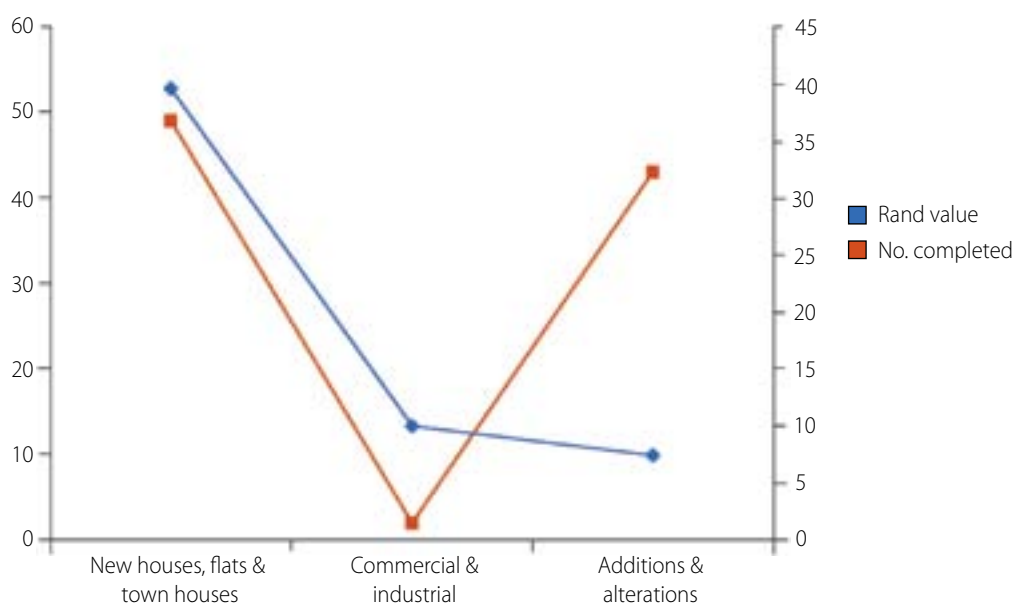
A total of 545 applications were submitted for approval from June 2007 to July 2008 with 406 applications receiving approval whilst 139 applications were refused in terms of Section 7 of the National Building Regulations and Building Standards Act (No. 103 of 1977) as amended.

Description	Number Approved 2006/2007	Rand Value 2006/2007	Number Approved 2007/2008	Rand Value 2007/2008
New houses	65	54 840 635	64	84 992 900
Granny flats	4	1 535 000	2	1 230 000
Flats and town houses	70	65 410 000	94	139 990 000
Commercial and industrial	4	14 815 000	15	22 915 000
Additions and alterations	213	53 187 300	197	48 674 800
Boundary walls	28	5 053 000	18	4 330 000
Swimming pools	23	1 229 000	16	906 000
Total	407	196 069 935	406	303 038 700

Number of buildings approved in 2006/2007 and 2007/2008



Building Works Completed from July 2007 to July 2008



Notices Issues for Contraventions

Building Control has issued a total of 221 notices throughout Umdoni Municipality for:

- Illegal building works
- Deviation from approved building applications
- Illegal usage
- Encroachments
- Dilapidated, ruinous buildings.

Council has resolved that legal action will be instituted against persons who are not willing to comply with and abide by the policies and legislation in place.

Encroachments onto Council Owned Property

Building Control in terms of Section 214 of the Local Authorities Ordinance 25 of 1974 and Section 10.1 of the National Building Regulations and Building Standards Act (No. 103 of 1977) as amended, processes applications for encroachments from street projections, street overhangs, street furniture, etc.

Workshops and Public Awareness

Town Planning, Environmental Management and Building Control have collectively hosted two successful workshops wherein members of the Architectural Profession, Developers, Estate Agents and the general public were informed of processes and procedures involved in the submission of various applications for approval. An average of 25 people attended both the workshops.

Projects

Building Control oversees Council's internal building projects from the stages of concept to design to effective implementation through to the final finished building. This department has managed the following projects:

- Internal refurbishment of the Umzinto Offices to house Community Services
- Office block at Scottburgh to house Internal Audit, Information Technology, Human Resources and Debt Recovery
- Extension of archives at Registry in Scottburgh
- Extension to the Financial Services Office in Scottburgh.

Town Planning

Function

Town Planning is a section that promotes the coordinated and harmonious development within the Umdoni Municipality. Presently there are three active urban schemes: Umdoni, Pennington and Mtwalume Town Planning Schemes. The Town Planning Ordinance 27 of 1949 enforces these schemes.

During the 2007/2008 financial year this section has seen a huge boom in the number of Development Applications, Rezoning, Subdivisions and Bed and Breakfast applications. This is due to the increase in demand for coastal property and developable land.

The focus this year has therefore been set on controlling and effectively responding to these changes and keeping a firm hand on contraventions of the schemes whilst maintaining excellent service delivery.

Below is a breakdown of all the applications that have been processed by this department:

*DFA	Rezoning	Subdivisions	Bed & Breakfast	Special Consent	Relaxations	Home Business
5	24	32	9	12	150	10

**DFA – Development Facilitation Applications*

Presently the Municipality is driving the regularisation of any and all business activities especially in residential areas. Regular inspections are taken in order to ensure that there is compliance. Milestones for this department have been the drastic renovation of Alexandra Hotel, successful removal of scrap yards and closures of illegal businesses, such as panel beating in residential areas.

In the quest to improve the provision of an improved service, a strategy will be developed to ensure that applications comply with the Town Planning Schemes and to the Municipality's records pertaining to legal compliance for all development applications.

Also during the 2008/2009 financial year, we anticipate the final adoption and implementation of the Urban

Land Use Management Scheme; this document will amalgamate all three current schemes, the result of which will be uniform controlled development throughout the urban area of Umdoni Municipality.

Projects currently in progress are the Umzinto CBD Urban Renewal Plan, the Umzinto – Park Rynie Corridor Plan and the approval of the Draft Rural Land Use Management Scheme.

Greater responsibilities will shortly be transferred from Local Government to Local Municipalities in accordance with the KwaZulu-Natal Rationalisation of Planning and Development Laws Act, 2008 (Act No. 2 of 2008) and KwaZulu-Natal Town Planning Ordinance Amendment Act, 2008 (Act No. 3 of 2008). Soon the Town Planning Department along with council will be able to make final decisions and adopt amendments without having the time delays of getting further approval from Provincial Authorities.

Environmental Management

Over millions of years the Umdoni Municipality has been shaped by climatic and geological processes into what is today an internationally recognised area of conservational significance. The subtropical climatic conditions and contrasting landscapes have largely contributed to the tremendous diversity of species that occur within the Umdoni region. The Umdoni Municipality is situated within the second richest floristic region in southern Africa and contains arguably the best coastal grasslands in Africa, some of which have more Red Data or Protected Species per hectare than any other such biome in the country. Several ecologically rich areas within the Umdoni Municipality have been specifically identified by Ezemvelo KZN Wildlife as 'biodiversity hotspots'. Parts of the Umdoni coastal zone falls within a nationally declared Marine Protected Area that features the world renowned Aliwal Shoal and surrounding reefs.

The Umdoni region has been extensively transformed over the past 100 years as a result of human settlement and agricultural activities. Regretfully, the hippopotamus that grazed on the flood plains of the Mpambanyoni River and the leopards that prowled the zebras on the rolling hills of Umzinto and Ifafa are now locally extinct.

Just 10 years ago the Umdoni Municipality was characterised as having relatively low levels of development, however the recent rapid growth in the real estate market has resulted in a huge increase in development along the environmentally sensitive coastal strip. The area's relatively unspoilt natural features are constantly under threat from developments and practices that are not in accordance with environmental management principles.

The primary role of the Environmental Management Section is to ensure that all development and land transformation applications and activities are in accordance with environmental legislation and environmental management best practice principles, and should there be a breach in the law, appropriate enforcement and remedial measures are taken. The Environmental Management section continues to strive for the protection of the environment for the present and future generations and to assist in upholding the people's Constitutional right to an environment that is not harmful to their health or well-being.

The Environmental Management section showed continuous progress during the 2007/2008 financial year and expanded to include the following responsibilities:

- Waste Management – including management of the landfill site.
- Environmental Health – including the enforcement of maintenance of vegetation on privately owned properties.

The following activities were undertaken during the 2007/2008 financial year:

- 105 building applications were reviewed and specific environmental requirements were required for 36 applications.
- The section provided comment and represented the Municipality at five tribunal hearings undertaken in accordance with the Development Facilitation Act.
- 32 subdivision applications were reviewed and commented on.
- 24 rezoning applications were reviewed and commented on.
- Eight basic Assessment/EIA applications were reviewed and commented on.

- Four special consent applications were reviewed and commented on.
- 393 notices were issued to owners of properties with overgrown vegetation. All properties were subsequently cleared, however 89 properties were cleared by the Municipality following the owners non-adherence to the directive.
- Facilitated the removal of approximately 1 200 alien plants and trees.
- The section successfully enforced the rehabilitation of 19 illegally disturbed or polluted properties.
- 140 indigenous trees were planted following enforcement measures undertaken for illegally felled trees.
- Facilitated the acquiring and planting of approximately 150 indigenous trees at schools and public open spaces.
- Environmental education material on waste management, trees and climate change was distributed to 10 schools and three libraries.
- An indigenous landscape project was undertaken at the Scottburgh Municipal offices.
- The section researched and facilitated the implementation of a tariff or development levy that will significantly increase the funds available for environmental conservation and rehabilitation.
- Extensive involvement in the Project Management of the Tidal Surge project, which is to date the single largest capital project undertaken by the Umdoni Municipality.
- The section was intensively involved in relief work following the June 2008 floods as well as the compilation flood disaster report and the associated framework of cost.

Applications for funding for the development Environmental Management System (EMS) were submitted to various organisations. An EMS is an important tool for biodiversity planning; not only for conservation reasons but also for the acknowledgement of the vital role the environmental plays in providing free goods and services to the people. The development of the Environmental Management System will facilitate achieving the shared vision of a cleaner, greener and healthier municipality.

Umdoni Landfill Site

The Humberdale Solid Waste Sanitary Landfill, also called 'Umdoni Landfill' was permitted on 5 June 2001 by the Department of Water Affairs and Forestry.

The design life of the first phase of the site is 15 years. The second phase could be extended by 8-10 more years.

The fenced area is 2.8ha in extent. The Phase I cell area is 0.8ha in extent.

The type of waste disposed at the site is principally equal volumes of domestic waste and garden refuse with small amounts of builder's rubble and minor amounts of commercial waste.

The site is monitored daily by the Supervisor, monthly by the consulting engineers, quarterly by the Landfill Monitoring Committee and annually by independent auditors. A groundwater testing and waste survey is conducted semi-annually. The site is monitored for contractors' compliance in terms of operating contract, volumes of waste, environmental integrity, maintenance of facilities, groundwater pollution and compliance with conditions of the Department of Water Affairs and Forestry permit.

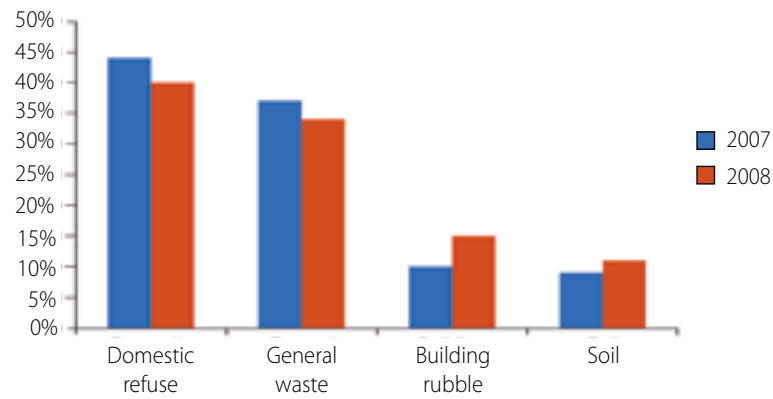
The Humberdale Landfill Monitoring Committee has representatives from various ratepayers associations, Illovo Sugar, Umdoni Municipality, DWAF and DAEA.

Landfill statistics for 2007/2008	
Total volume general waste collected in 2007/2008	105 128 cubic metres
Total volume general waste recycled in 2007/2008	200 cubic metres
Total volume of landfill in 2007/2008	142 356 cubic metres
Total volume licenced according to the terms of the Environmental Conservation Act in 2007/2008	244 074 cubic metres
Airspace remaining	Approximately 60%



Humberdale landfill site.

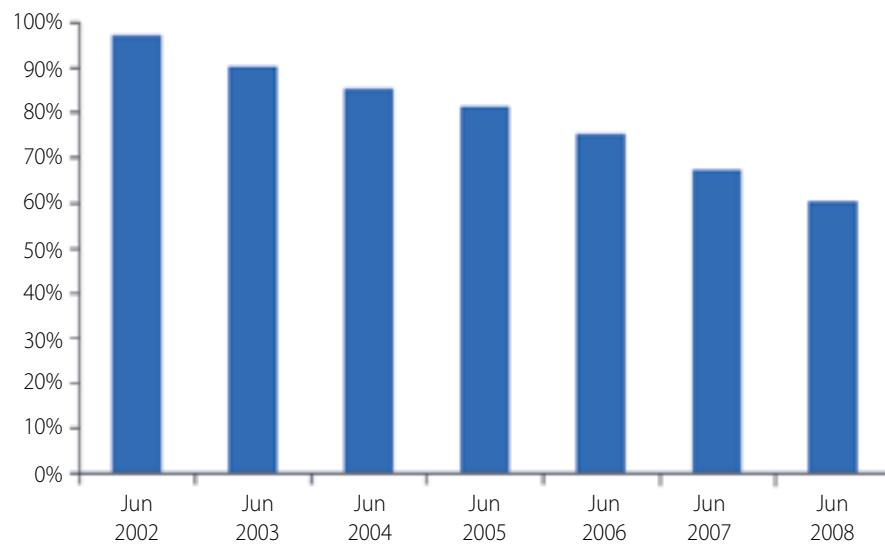
Waste Types at Landfill Sites



The site operates nine hours per day, seven days per week and services a population of 744 037.

The increase in the percentage in building rubble and soil received is largely attributed to the rubble and soil received from the beaches following the tidal surge event.

Airspace Remaining at Landfill Site



Corporate Services Department

Legal and Estates

Establishment of Legal and Estates Unit

A Legal and Estates Unit was established in April 2008 with the appointment of a Manager for this section which deals with the Municipality's legal and estates matters.

The legal functions are as follows:

- Providing legal advisory services to the Municipality
- Drafting and updating By-laws
- Providing legal opinion to the Municipality
- Drafting and interpreting contracts and other legal documents
- Participating in various meetings and providing comments/opinions on matters from a legal perspective.

The estate functions are as follows:

- Controlling the sale and property by public tender and private treaty
- Controlling the letting of Council properties
- Effecting the transfer of property purchases via conveyancers
- Managing the maintenance of Council property and assets.

The following matters were attended to by the Legal and Estates Section for the period July 2007 to June 2008:

By-laws

Rules and Procedures of the Umdoni Municipal Council

The Umdoni Municipality adopted the 'Rules and Procedures By-laws' on 25 July 2007 in terms of section 160(6)(b) of the Constitution of the Republic of South Africa and published the by-laws on 23 May 2008 in the Provincial Gazette of KwaZulu-Natal.

The Rules and Procedures guide the manner in which meetings are conducted. They also outline the functions of the Speaker, procedures at Council Meetings, Attendance at Meetings, quorums and acts of Council, Order of Business, voting and divisions and notices of motions.

Terms of Reference for Committees of Council

The Delegations of Authority and Terms of Reference for the Committees of Council were workshopped with Councillors and relevant officials in June 2007. In terms of Section 65 of the Local Government: Municipal Systems Act (32 of 2000) Council resolved at its meeting held on 25 July 2007 that the Delegations of Authority, Rules of Order and Terms of Reference for Committees of Council be adopted.

The adoption of these delegations will go a long way towards achieving effective internal controls and procedures and will aid in improving the audit status towards an unqualified audit report for the 2007/2008 financial year, in respect of corporate governance.

Ritual Slaughter of Animals

Ritual Slaughter of Animals in a controlled environment, subject to the guidelines as provided and endorsed by the Ugu District Municipality, was approved on 29 August 2007. These by-laws will be promulgated during the 2008/2009 financial year.

Rates By-law i.r.o. Municipal Property Rates Act

Section 229(1) of the Constitution authorises a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.

In terms of section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rateable property in the municipal area.

In terms of section 6(1) of the Property Rates Act, a municipality must adopt by-laws to give effect to the implementation of its rates policy.

In terms of section 6(2) of the Property Rates Act, by-laws adopted in terms of section 6(2) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.

In accordance with the above requirements of the Constitution, the Umdoni Municipality's Municipal Property Rates Act, Rates By-law was duly adopted by Council on 24 July 2008.

Leases

Following the amalgamation of the erstwhile Scottburgh/Umzinto North and Pennington Transitional Local Councils in December 1999, a need was identified to produce a comprehensive and up-to-date index and register of all municipal leases and agreements for the areas of Scottburgh, Umzinto, Park Rynie, Pennington, Sezela, Bazley, Ifafa, Elysium, Mtwalume, Amahlonga, Amandawe and Shayamoya.

Prior to the amalgamation there were no systems in place, nor were detailed registers available. Subsequently, an index of all leases, agreements, notarial deeds, crown grants, deeds of transfer, servitude and grants received by the Municipality, was compiled for all areas. The index provides an efficient system for the quick location of documents when required.

Following the compilation of the index a detailed register of all current leases and a register of agreements were prepared, which details the following information:

- Document and Reference Number
- Commencement and Termination Date of Lease or Agreement
- Monthly Rental at commencement of Lease or Agreement
- Escalation Charges
- Special Terms and Conditions.

To date, the above details of approximately 140 current agreements and 45 leases are recorded in the Registers, which are updated immediately after new agreements and leases are concluded and signed by the Municipal Manager and other relevant parties.

A brief summary of leases due for review and/or renewal is available for easy reference on the above registers.

Valuation Appeals Hearings

Outstanding objections from the 2006/2007 and 2007/2008 financial years were attended to and resolved at the Valuation Appeals Hearings which took place during June 2008.

Seven appeals were finalised for the 2006/2007 financial year as follows:

- One appeal withdrawn
- One compromise was accepted prior to the Hearings
- One appeal was dismissed by the Board
- The value of the land on three appeals was reduced by the Board
- The value of the land on one appeal remains unchanged.

Eleven appeals were finalised for the 2007/2008 financial year as follows:

- One appeal was withdrawn
- Nine compromises were accepted prior to the Hearings
- The value of the land on one property was reduced by the Board.

Policies

Draft Rates Policy

A workshop for Councillors and officials was held in December 2007 where the Draft Rates Policy was workshopped. The Draft Rates Policy was adopted on 16 April 2008 in terms of the Municipal Property Rates Act. The contents of this Draft Policy are subject to change based on the outcome of these further consultative processes.

Ward Committee Policy

Municipal Councils have the authority to delegate functions and powers to Ward Committees. This authority is derived from Section 74(b) of the Municipal Structures Act (Act 117 of 1998). Delegation of functions and powers to Ward Committees should be done in terms of 32 and section 59 of the Municipal Structures Act and Municipal Systems Act, respectively.

As part of their responsibilities, Ward Committees are expected to deal with matters that will benefit the community. They should always act in the best interests of the Ward and the community on a whole. Individual members should conduct themselves in a disciplined manner that benefits the developmental objectives of both the Ward Committees themselves, and that of local government. They should also ensure, in the course of their operations, that citizens understand how local government functions.

Umdoni Municipality's Ward Committee Policy was workshopped on 12 March 2008 and adopted on 26 March 2008.

Ski Boat Launch Sites in Umdoni Municipality – Renewal of Licenses

An application for the renewal of Umdoni Municipality's six ski boat launch sites was submitted to the Department of Environmental and Agricultural Affairs in June 2008, together with the necessary affidavits, for a further period of five years.

Sale of Municipal Property

On 27 June 2007 Council took a decision to sell municipal property which is superfluous to its needs.

The first round of sales was completed in July 2008 with a total of R10 million being raised for use on Council's immovable property.

Registry

With the inclusion of the new areas following the amalgamation of municipal areas in 2000, it was evident that extensions to the Registry section would be essential.

Building extensions to the Registry commenced in April 2007 and concluded in August 2007. A strong-room for the safekeeping of all legal documentation was included in the extensions.

Subject property and archive files for the areas of Scottburgh, Park Rynie, Umzinto, Pennington, Bazley, Sezela, Ifafa, Kelso and Elysium are maintained and retained in this section.

With the vast amount of documentation continually received by the Municipality it is anticipated that this section will continue to grow.

Business License Applications in Terms of the Business Act (Act No. 71 of 1991)

There is currently an ongoing debate between the Department of Trade and Industry and other relevant departments as to the current status of the above Act in light of the major changes which have occurred to the former 'licensing authority'.

We are not aware of any designation as 'licensing authority' which has been awarded to local municipalities and therefore an enquiry has been made with the National Department of Trade and Industry and SALGA on the question as to whether it may collect fees or issue licenses under the designation of a 'licensing authority'.

The present legislation at our disposal does not specify the amount to be charged as an application/licence fee nor is it clear as to whether a licence is to be renewed/issued annually, or on a 'once-off' basis.

Despite uncertainty regarding the status of the above, applications are received and processed on a regular basis, in terms of Schedule 1 (which details those businesses in respect of which a licence is required) of the Business Act (Act 71 of 1991), usually at the expense of the Council as the fees prescribed do not cover the time spent doing this work.

Business Licence Applications Procedure

Applications received for the operation of businesses as stated above are forwarded to the following departments in the Municipality for approval:

- Town Planning
- Traffic Department
- Fire Department
- Ugu District Municipality's Health Inspectorate.

The length of the process depends on whether or not the application meets with the requirements of the various departments. Business licences are issued only once the written approval of the above departments has been received; in some cases it may take a year or more for the applicant to comply with all requirements, and other applications may be finalised after two months.

Payment of the tariff of R200 per application is applicable in terms of the Business Act No. 71 of 1991.

Comparison Figures of Business Licences Issued	
2005/2006	29
2006/2007	25
2007/2008	18

Agreements, Contracts and Projects under Private-Public Partnerships

- Lease of Portion of Pennington Offices to Pennington Ratepayers Association/SAPS for Policing Purposes
- Lease of Portion of Townlands to TC Robertson Nature Reserve for the operation of a Nature Conservation Reserve.



Disclosures of Long-Term Contracts

Document	Commencement Date	Termination Date
Simon Lee/SCDA CC Agreement for the Management of Signage	28 June 2006	Agreement shall run from commencement date for a period of five years . Thereafter the agreement shall be terminable should either party give nine months notice in writing to the other party.
KZN Esdle 'Skills Revolution' Partnership The partnership is linked to the National Skills Development Strategy and the annual end of year partnership review will determine the continuation of the partnership	1 September 2006- 31 March 2010	31 March 2010
Udidi – Draft Agreement for Town Planning Services	Draft agreement – signed agreement awaited	
Ugu Sports and Leisure Centre Project – Social Compact between Ugu District Municipality, six local Municipalities and Shosholoza Joint Venture	20 November 2007	Ongoing
Standard Bank Services Guarantee	15 September 2000	Ongoing
Standard Bank – Electronic System Terminal Service Agreement	6 March 1997	Ongoing
Standard Bank – Electronic Banking Services Agreement	6 March 1997	Ongoing
Amahlongwa Mission Reserve Project – Rural Housing Subsidy – Amahlongwa No. 1 Stage 1 Tripartite Agreement between Umdoni and Provincial Department of Housing and DA Thomas Development Construction	30 November 2005	Refer to Agreement
Amahlongwa Mission Reserve 8317 – Service Agreement between Ugu District Municipality and Umdoni Municipality	September 2008	Undetermined
Land Availability Agreement between Department of Agriculture and Land Affairs and Umdoni Municipality	20 July 2005	NA
Deed of Settlement – Negotiation for Land for the Construction of a sportsfield in Amandawe. Agreement between Umdoni Municipality and Mr SN Myeza	31 August 2007	NA
Tri-partheid Agreement – Umdoni Municipality – Mrs Elizabeth Nyawose and Ms Slindile P Ngcobo	NA	NA
Eskom – Scottburgh Main Beach – Lot 1399 Main Beach	1 November 2006	Shall endure for an indefinite period subject to provisions of Agreement and right of either party to terminate Agreement by giving three calendar months notice in writing
Eskom – Funding Agreement for Free Basic Electricity (FBE)	1 July 2006	30 June 2009 Parties may agree in writing, at least three months prior to termination date, to extend the duration of the agreement for further periods

Scottburgh Veterinary Clinic Agreement	17 May 2005	Ongoing – Agreement may be terminated by either party giving the other three month's notice in writing
TC Robertson Nature Reserve Committee Service Level Agreement	4 May 2005	Not indicated in Service Level Agreement
Umdoni Coast and Country Tourism Association Service Level Agreement	4 May 2005	Indefinite agreement
Georeality/Geocollect/Georecon Maintenance Agreement Policy	Agreement signed on 1 February 2005	Not stipulated on agreement
Multichoice Contracts for Channels 1, 2 3 and E TV	9 March 2006	Ongoing
Admiralty Reserve – Lease Agreement Between Umdoni Municipality and Department of Public Works	23 November 1933 (per Deed of Lease No 246)	Shall remain in full force and effect
Admiralty Reserve – Lease Agreement between Park Rynie Health Department and Department of Land Affairs	13 August 1938	Shall remain in full force and effect
Admiralty Reserve – Lease Agreement between D and Sb and Department of Land – (Area Along Marine Drive) File Ref. PR3 – No. 8	1938	Shall remain in full force and effect
Pennington		
Admiralty Reserve – Nkomba Area in Pennington (i.e. portion of Admiralty Reserve at the Township of Umzinto North)	27 June 1989	Will continue until terminated by either party on 90 days notice being given in writing
Admiralty Reserve Adjoining Lot 10 Pennington (Lots 636 to 639 New Lots)	1 April 1968	Shall continue from year to year subject to termination at any time during the currency of the lease on 90 days notice in writing
Transnet Wayleave Agreement between Transnet and Pennington Town Board – Impathle Drive	1 July 1994	To expire by mutual agreement of both parties
Deed of Lease between Pennington TLC (Lessee) and Department of Works (Lessor) for Lease of Lots 910 To 913 and 930 – 933 Pennington	1 April 1992	31 March 2017 with option to renew
Telkom: Agreement of Caretakership of Lot 1118 Pennington	16 October 1991	Valid for one year and thereafter automatically renewed for one year periods
Farm Aliceville (Ptns 1-150 of Rem) Services Agreement between Zamori 129 (Pty) Ltd (Developer) and Umdoni Municipality	26 January 2007	Will continue in perpetuity
Encroachment Agreement: Sub 9 of Erf 526 Pennington – Mr Roger Harris	1 December 2008	Indefinitely but may be terminated upon three months written notice by either party
Eskom Agreement for Lighting Supply on Old Main South Coast Road No R102, being the Access Road to Illovo Sugar Ltd, Sezela	Not indicated	Shall endure for an indefinite period, subject to provisions of Agreement
Road Maintenance Agreement between Illovo Sugar Ltd and Pennington TLC	1 July 1999	Agreement shall endure for as long as the company utilises the Weighbridge Road for the transportation of cane to the company's mill at Sezela
Agreement between Illovo Sugar Ltd and Pennington Local Council in respect of Sezela Township i.r.o. Sewage Treatment Capital Works and Maintenance	1 July 1999	Agreement shall endure for as long as the company operates the mill for the crushing of sugar cane, but subject to the provisions of clauses 8.2 and 8.3 contained the Agreement

Admiralty Reserve – Bazley – Deed of Lease Between Erstwhile DSB and Department of Agricultural Credit and Land Tenure	1 September 2007	Lease shall continue until terminated by either party at any time on giving three month's notice in writing
Encroachment Agreement – Erf 22 Bazley	1 September 2006	Agreement shall be made applicable to any successors-in-title or encroachment removed prior to transfer being effected
Elysium		
Idwala Ridge: Ptn 8 (of 1) of the Farm Elysium No. 15582 – Services Agreement	Agreement signed on 12 September 2006	A written notice or communication actually received by a party shall be an adequate written notice
Admiralty Reserve – Elysium – Deed of Lease between Department of Agricultural Credit and Land Tenure and Erstwhile DSB	1 September 1970	Shall continue until terminated by either party giving three months notice in writing
Ifafa Mission Reserve – Services Agreement between Ugu District Municipality and Umdoni Municipality for Water, Roads, Sanitation and Solid Waste Disposal	18 September 2006	Shall continue in perpetuity
Erven 63, 64, 65 Ifafa Beach – Transnet Agreement	1 November 1996	31 October 1997 (for initial period)
Malangeni		
Eskom – Memorandum of Agreement – Supply of Electricity to Malangeni Community Centre situated at Mtwalume Rural in the Magisterial District of Umzinto	Agreement signed on 11 October 2006	NA
Admiralty Reserve – Mtwalumi	1 September 1970	Shall continue until terminated by either party at any time giving three months notice in writing
Encroachment Agreement – Sub 2 of Lot 154 Mtwalume	1 October 1992	Shall continue in force indefinitely until terminated
Encroachment Agreement – from Lot 127 Mtwalume by Koelbranders Eiendomme	1 January 1986	Shall continue in force indefinitely until terminated
Ikwezi Estate – Portion 130 (a portion of Portion 89) of Farm Newton Wolds 6371 – Mtwalumi Engineering and Essential Services Agreement between Umdoni Municipality and Theo Izak Ontwikkelings CC	11 March 2008	Ongoing
Encroachment Agreement between AG Singh and R Singh at Sub 5 of Lot 329 Umzinto	1 August 1986	Not indicated
Encroachment Agreement between Murray and Daddy (Pty) Ltd and the Umzinto North Town Board (now Umdoni Municipality) at Portion of Lot 301 Umzinto Township Consisting of 144m ²	1 July 1989	Not indicated
Encroachment No. 11984 between Director of Roads and Umzinto North Town Board/ Umdoni Municipality	2 September 1986	Not indicated
Memorandum of Agreement between Eskom Holdings Ltd and Umdoni Municipality	August 2007	NA
Telkom Agreement – Exchange at New Community Services Offices in Umzinto (2007)	7 February 2006	31 January 2011

Administration

The Corporate Services Department is headed by the General Manager: Corporate Services, Mrs Grace Mavundla. The Department is a 'support service' rather than a service delivery department and the following administrative functions fall under this department:

- Human Resources
- Information Technology
- Legal and Estates
- Registry
- Ward Committees
- Secretariat
- Communications
- Councillor Support.

The year under review saw the appointment of the Legal and Estates Manager, and her duties are reported on in more detail under the Legal & Estates Report. The Department also appointed an IT Officer and website designer.

Councillor's Library

During the year under review, a Councillor's Library was established and is gradually being stocked. Currently the library has, among others, the following publications:

- Annual Reports – various
- Budget documentation – current
- Code of Conduct for Councillors
- Delegations of Authority
- Rules of Procedure
- Constitution of South Africa
- IDP – current
- Various journals
- Various legislative documents
- Magazines including various government publications
- Confirmed minutes of meetings
- Motivational books
- All policies adopted by Council
- Statistical information
- Strategic plans
- White papers.

The new Councillor's Library.



There are also numerous CDs and DVDs on hand and can be viewed on the television which has been provided for this purpose. The current year will see a computer being installed whereby all Councillors will have access to the internet and e-mail.

Office extensions

In view of the organisational transformation, the Council recognised the need for increased office space, and in this regard the northern wing of the treasury section was extended to accommodate three sections, namely Income, Expenditure and Budget Control.

The old garages were converted into an office block which now accommodates the following sections:

- Debt Recovery
- Internal Audit
- Information Technology
- Human Resources
- IEC.



Official opening of the office block.

The old IEC building was demolished to cater for covered parking for Council vehicles. These extensions also allows for an extension to the Registry Department and the Corporate Services Section.

The official opening of the new Scottburgh office block took place on 19 May 2008.

Extensions to the Umzinto Offices and an upgrade to the Scottburgh Office Reception area is planned for the new financial year.

Cooperative Governance/Intergovernmental Relations

During the year under review, the Council entered into partnerships with KZN DLGTA in respect of the EMMA software. EMMA is an acronym for 'Electronic Monitoring and Management Assistance' programme.

This is a monitoring tool aimed at serving as an early warning tool for the municipalities and province to alert of possible threats to governance systems.

The programme tests the financial viability, institutional performance and institutional compliance of municipalities against specific KPIs and produces a report.

The system works well subject to municipalities uploading their annual and monthly data. With the numerous reports that can be generated by the programme, reporting to Council is made easier.

The required data for the 2006/2007 financial year has been updated on the system and the 2007/2008 data will be updated once the annual financial statements have been audited.

Internal Workshops

A number of internal workshops were held during the year under review and the purpose of the workshops is to keep staff and Councillors aware and informed of policy decisions as well as to mentor staff/Councillors on certain matters. The following are a few of the internal workshops that were held during the 2007/2008 year:

Budget Workshops – The budget is one of the most important mechanisms for the realisation of our mandate to provide 'a better life for all' as it links the developmental needs of all communities to the resources of government as allocated. It is for this reason that the Municipality embarked on an extensive consultation process with key officials from the various departmental sectors, which includes Section Managers, Heads of Departments and Councillors. The objectives of the workshops were as follows:

- Provide guidance to officials in preparing the upcoming budget as well as the effective management of the

current budget.

- Provide an improved understanding of budget management and clarify processes and procedures.
- Highlight areas of concern, areas of improvement and poor spending patterns, as well as to provide solutions.
- Consider service delivery priorities and commitments to the community and to ensure that the budget adequately reflects this.
- Consider guidelines issued by National and Provincial Government, as well as other stakeholders.

The consistent engaging with officials at this level throughout the year under review reiterated the importance of budget management and further assisted in ensuring compliance with the Municipal Finance Management Act.

Internet & Email Workshop

The Council recognised the importance of internet and email facilities, however these are subject to abuse if not monitored. A policy was adopted by Council which sets the boundaries in which these facilities can and cannot be used. All staff who have internet and e-mail were thoroughly workshopped on the policy to ensure they were aware of the restrictions in terms of the said policy and the policy also covers the Municipality should the need arise to take disciplinary action for abuse.

Telephone Policy

In an effort to reduce telephone costs, the Council adopted a policy on telephone usage. The policy has clear cut measures and should go a long way in assisting to reduce abuse of this facility.

Internal workshops on the following were also held during the year under review:

- Skills Development
- Occupational Health and Safety
- Strategic Planning
- Tariff of Charges
- Ward Committee Policy Workshop
- Registry Procedure Manual
- Beach and Community Facilities Policy
- Rates Policy
- Slums Clearance Policy
- SDBIP
- IDP.

Signage

Preamble

The appointment of a signage consultant from May 2007 followed an identified need established by Council to formalise the administration and control of advertising and general signage within its area of operation.

Aims and Objectives

In line with the established intent to follow a three- year initial implementation period, the first year has been utilised to ensure firstly that the administrative aspects of the initiative were completed, and secondly that this framework was communicated to the various role players affected.

In line with this the consultant has, during the past twelve months, completed a number of tasks in the following areas of operation:

By-laws Promulgation

The Pennington Signs By-laws (M.N. 84, 1999) were reviewed and finally repealed with the introduction of the

Umdoni Signs By-laws (M.N. 26, 2007) on 10 October 2007. The Umdoni Signs By-laws extend throughout the entire Umdoni Municipal area and have been constructed to cater specifically for the particular dynamics that define it. This includes ensuring that the residential, industrial and commercial components of the area have been protected within an equitable by-law framework, marrying off the needs of business development with the duty to protect the intrinsic high aesthetic value of the area as a whole.

Administration Policies

The by-laws make provision for the creation and implementation of formal policies that deal in more detail with the administration of certain types of signage. In line with this, policies governing the placement of banners and the specifications for directional signage were formally adopted by Council within the period under review. Further policies governing the placement of posters and redefining the administration of estate agent signage are being addressed and will be finalised during the 2008/2009 financial year.

Communication

The consultant is available to the general public on specific days during the week. This has been well publicised and the public has reacted well to this availability of signage expertise. During the past year the consultant has had 151 formal appointments with signage role players, and informal appointments take place daily. The signage office is fast becoming the major source of information for all matters pertaining to signage within the area, and in this respect has achieved one of its major aims.

A total of 106 illegal sign notices were issued with the specific intention of creating a communication bridge with the owners of signage in the area. This has paid dividends by not only ensuring the removal of the illegal signage, but most importantly allowing the sign owner the opportunity to benefit from the service the Council now provides.

Revenue

The tariffs attached to the various signage permits required in terms of the signs by-laws were reviewed in context of any feedback from the affected public during the last year, as well as the market in general countrywide.

The period preceding 2007/2008 saw the collection of R23 264 in revenue from signage. The 2007/2008 period saw the collection of R211 886 in this respect, an increase of over 900%. This growth can be attributed to the consistent control in place, as well as the utilisation of the signage display avenues afforded by the formal policies approved by Council.

Physical Monitoring

Signage within the area has been actively monitored, with punitive measures actioned within the latter half of the reporting period, resulting in the physical removal of 487 signs placed within Council controlled property.

The sign removals have provided valid permit holders with the confidence that they are being provided with the promised level of protection, and the ongoing authority to continue displaying signage within the boundaries of the regulations.

The sign removals take place predominantly on weekends and public holidays, thus displaying the commitment of the Council to provide the service outside of normal operating hours.

Conclusion

The initial year has been successfully completed with the positive achievement of all the pre-stated aims and objectives. The ensuing year will focus on the implementation of the formal plan of control. This deals with the evaluation of each individual property within the entire area, followed by contact with the owner to ensure that any signage present complies with the Umdoni Signs By-laws.

Information Technology

During the year under review, many changes came about within the IT Department. Its support became a fully functional in-house department with the appointment of an IT officer and the appointment of a web designer.

After conducting some intense research and feasibility studies, a new infrastructure was established and a 128k diginet Line now runs at the Scottburgh Main Office.

A portion of this infrastructure was extended to the Umzinto Offices and in May 2008, a 64k diginet link running to the Umzinto offices was activated. Email and internet facilities are now fully functional at those offices for all computer users.

With a comprehensive infrastructure in place, the IT function within the Municipality had to run according to certain standards and practices, and the following has been implemented:

- **UPS & Generators:** A stable UPS system has been implemented to minimise data-loss caused by power outages. Generators are awaited and will further alleviate problems experienced with power outages. Backup strategies are also in place to secure the financial and administrative data.
- **Telephone PABX System:** The switchboard capacity was upgraded to include more extensions, direct inward dialling and voice mail, and auto attendant.
- **Mailmarshall & Webmarshall:** These software applications were procured and acquired to assist in enforcing the IT policy. A workshop was held on 20 May 2008 to introduce the policy to users within Umdoni.

LGNET

A partnership between Umdoni Municipality, DBSA and other stakeholders was established to assist Umdoni Municipality in expanding the Local Government Network, which is a virtual private network that links all government department stakeholders into an e-community. Through this network, local government stakeholders are connected to the LGNet via Telkom data lines. This is a secure connection that uses the latest in remote network security to ensure the integrity of the information flowing through the LGNet.

The DPLG/DBSA/SALGA partnership, together with other local government stakeholders, will provide the content for the portal. This content is geared for informed decision-making on a municipal management level. The LGNet will also enable all participants to interact with each other using email and online collaboration (ie. instant messaging technologies).

Apart from providing a secure location and power to the LGNet router equipment, access to the LGNet will be free of charge. All the capital equipment and operational costs to connect to LGNet will be carried by the partnership.

LGNet will deliver the following services to Umdoni Municipality:

- Access to the LGRC Portal
- Access to hosted application systems
- Collaboration with other connected local government stakeholders
- Website hosting – in the new local.gov.za domain.

The key feature of the LGNet is the LGRC (Local Government Resource Centre) which has been developed in partnership with local government stakeholders to assist municipalities meet the challenges they face and to fulfill their developmental responsibilities and duties.

LGRC is a practical one-stop support centre for municipalities that will empower today's senior municipal professional and Councillors and form a gateway to local government knowledge, and its aim is to:

- Prevent duplication
- Share knowledge
- Enhance cooperation and pool resources
- Further coordination.

The following services will be provided by LGRC:

- New developments and work that has been completed successfully are made available for utilisation by other municipalities.
- Step-by-step guidelines, support material and manuals that assist senior staff and councilors to perform their tasks.
- Advisory service supported by specialist service providers to assist municipalities with problems they experience.
- Support with capacity building such as project/programme design and monitoring as well as supervision of capacity-building interventions:
 - The processing and provision of socio-economic data and information
 - The provision of models to assist municipalities with decisions regarding service delivery
 - Up-to-date news and developments that municipalities should know about
 - Management Information Systems including Global Information System (GIS)
 - A chat room that will enable direct communication between municipal role-players
 - Access to best practice guidelines and standard documents.

Website

With the appointment of the web designer, Umdoni Municipality saw a face-lift in terms of the municipal website. After months of research, the website was finally packaged and is designed and developed internally, however the hosting is done by an external service provider. The website, which is updated on a regular basis, is a very informative and interactive communication tool for all Umdoni dwellers. Our website address is: www.umdoni.gov.za. We encourage persons to visit our site for more information.

Fleet Management

Driven by the need to achieve a cost effective fleet administration, Council created a position of Fleet Officer with the main responsibilities being to undertake the following activities:

- To ensure that vehicle custodians adhere to the Fleet Management Policy;
- To ensure that the Council fleet is maintained in an operationally safe and efficient condition at all times and at minimum cost;
- To issue pool fleet vehicles to authorised persons and maintain appropriate usage records;
- To validate work requirements and cost for servicing, repairs and modification to Council vehicles;
- To ensure that fleet is maintained in a sound operating condition at all times;
- To manage maintenance contracts, and in particular authorise all claims by the contractor.

During the year under review the following systems were introduced:

- Vehicle log book to ensure daily trip recording;
- Vehicle key log sheet to ensure safekeeping of vehicle keys;
- Establishment of a safe for fleet spare keys
- Security checklist form to ensure a record of incoming and outgoing vehicles is kept;
- Inspection sheet to be used by drivers to ensure vehicle safety and security;
- Schedule of vehicles to ensure record keeping;
- Schedule of vehicle maintenance records;
- Carports for safekeeping shelter for municipal vehicles – Scottburgh.

In the upcoming financial year, it will be imperative to procure a fleet management system with a tracking device to ensure effective vehicle maintenance records and also to monitor vehicle movement.



Financial Services Department

Income

Rates

During the 2007/2008 financial year the final steps were taken in order to fully implement the Municipal Property Rates Act. This included the issue of the first ever consolidated valuation roll within Umdoni Municipality. The market-based valuation system represented a significant change from the municipal-based system of valuation.

This, in effect, changed the valuation from a replacement cost principle to a willing-seller willing-buyer principle. Disparities in the timing of the previous individual valuation rolls resulted in some properties noting large increases in the new consolidated valuation roll.

A cornerstone to any successful implementation of legislation is active community acceptance of the process. This was achieved by public meetings, newspaper advertorials and written submissions by the public.

This rigorous public participation process ensured awareness and understanding within the communities residing in Umdoni Municipality. This culminated in Council's adoption of the Rates Policy and Rates By-law. The objection and appeal process is currently underway to address the concerns of aggrieved ratepayers. Any further anomalies that may be identified will be corrected via the issue of supplementary valuation roll.

Whilst we do acknowledge that a degree of apprehension does remain within the community, Umdoni Municipality is actively committed to addressing these aspects via ongoing communication with our ratepayers.

Indigent Support

Recognising the necessity of 'pro-poor' policies and relief required, during the 2007/2008 financial year Umdoni Municipality continued indigent support in respect of sanitation services and certain categories of electricity users. This support was funded directly from National Government allocation of equitable share to Umdoni Municipality, and 1 434 Indigents need apply to access the benefits. This ensures a check and balance in the system so that only qualifying applicants receive the benefit.

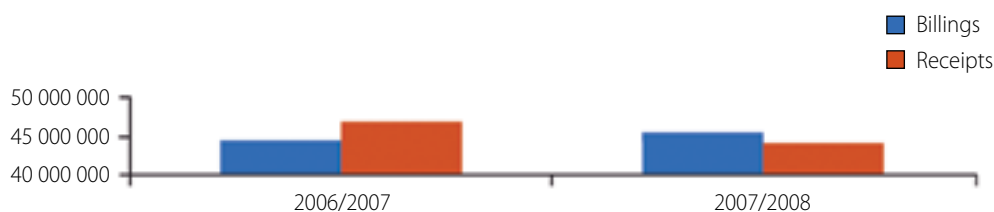
A total of 2 683 households received refuse indigent support while 1 434 households received electricity indigent support during the 2007/2008 financial year.

Debt Recovery

The 2007/2008 financial year heralded intensified efforts in credit control and debt recovery within Umdoni Municipality. These include, inter alia:

- Additional resourcing of the Debt Recovery Unit
- Introduction of improved debt recovery management software
- Targeted training and increasing of institutional knowledge
- Ongoing meetings with the local legal circle of attorneys to ensure that the most effective and efficient collection processes are utilised.

The foregoing measures will bear fruit in ensuring that those ratepayers who default in their responsibilities face the full brunt of the law.

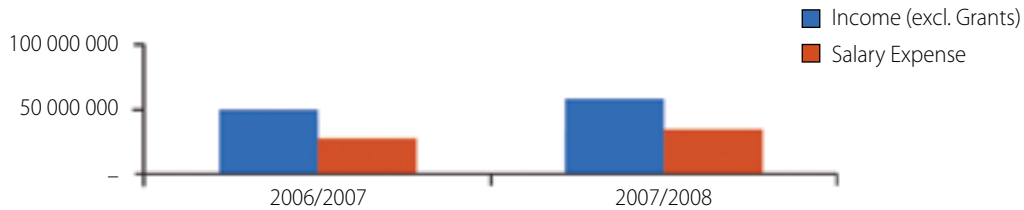


The table on the previous page represents total billings for the financial year compared to the total receipts for the year.

The 2007/2008 financial year realised a collection rate of 97 %, which represents an 8% decrease from the prior year's collection rate. This decrease is attributed to the shift of focus onto the core debt within Umdoni Municipality (ie. outstanding rates accounts between R 20 000 to R 40 000). This entails perusing lengthy legal avenues in pursuit of outstanding debt.

It is important to note that the receipts, although collected during the year, relate to billings which may have been raised over multiple years.

Salary Analysis



The above table represents the total income excluding grants as compared to the annual salary expense of the municipality.

The 2007/2008 financial year showed an increase in the ratio above from 57% in the prior year to 60% in the current year.

Despite both the income and salary exhibiting increases in the current year, the increase in the ratio is as a result of our income growth rates not matching the growth rate in our salary expense.

Salaries increased by 22% from R 28 471 962 during 2006/2007 to R 34 963 343 during the 2007/2008 financial year. This is due to the following factors:

- Salary annual increase
- Additional overtime for essential services
- Filling of posts on the organogram
- Increase in the provision of long service and retirement awards.

Expenditure

Grant in Aid

Umdoni Municipality's Grant in Aid allocation is aimed at upliftment and assistance of non-profit organisations within the Municipality. During the 2007/2008 financial year a sum of R120 000 was issued to qualifying organisations.

Supply Chain Management

In order to meet the onerous requirements of the Municipal Finance Management Act, centralised procurement has been introduced within Umdoni Municipality. This effectively means that the procurement needs of the Municipality is handled by a single unit to ensure transparency, compliance to the policy and procedures of the Municipality.

Further, the members of the independent specification, evaluation and adjudication committees, which were established to ensure the integrity of all awards over R200 000, have received specialist training to ensure they are abreast with the dynamic legislation which governs Supply Chain Management.

YEAR 2007/2008				
Title/ Description	Tender No/ Ref	Total Tender	80/20 or 90/10	Comments
Humberdale Landfill Site - Statutory Groundwater Monitoring and External Auditing		43 000	80/20	
Lease of 10-15 Seater Vehicle				Lease 48 months
Bulk Diesel	1/2007			depends on quantity consumed per annum
Bulk Unleaded Petrol	2/2007			depends on quantity consumed per annum
Security Services	4/2007			Cancelled:- existing Tender extended
Insurance Services	5/2007	448 661	80/20	
Maintenance & Servicing of Vehicles, Plant & Equipment	8/2007			Annual Tender: Depends on vehicle maintained
Grass Cutting: Esperanza, Ifafa, Glebe, Shayamoya	10/2007	183 900	80/20	Annual Tender
Grass Cutting: Bazley, Elysium, Ifafa Beach, & Umtwalume	10/2007	234 000	80/20	Annual Tender
Supply of Loose Furniture to Umzinto Community Hall	11/2007	721 290	80/20	
Construction of Houses	12/2007	216 000	80/20	
Umzinto Sport Complex & Highmast Lights	13/2007	732 297	80/20	
Cleaning of Beaches & Ablutions	14/2007	180 000	80/20	Annual Tender
Lease of Park Rynie Campsite	15/2007			
Performance Management Sytem	16/2007			
Bus Shelters	17/2007	525 967	90/10	
Upgrading the Stormwater System - Ghandinagar	19/2007	2 859 006	90/10	
Refuse Compactors	21/2007	1 045 608	90/10	
Customer Care Vehicle	22/2007	551 306	90/10	
Grader	23/2007	1 404 480	90/10	
Fire & Emergency Service Centre	24/2007	7 069 711	90/10	
Extension of Offices Scottburgh Main Office	25/2007	1 216 312	90/10	
		827 101	90/10	
Lease of Educare Centre - Ghandinagar		12 000		Annual Tender
Repairs to Infrastructure on Beaches	Q002/2007	2 470 573	90/10	

Budget

Umdoni Municipality has over the past financial year extended the budget and compliance office within the Financial Services Department.

This strategic goal now ensures that:

- Regular internal budget workshops with senior and middle management are convened in order to effectively implement budget management principles and procedures within Umdoni, and
- Tabling of financial reports to all standing portfolio committees within the Municipality to allow Council oversight at a departmental level.

Implementation of the GAMAP/GRAP Accounting Standards

Umdoni Municipality continues to implement the GAMAP/GRAP standards for the 2007/2008 financial year. These standards are closely aligned to International Accounting Standards. Representing a significant stride forward though, the 2007/2008 annual financial statements have been prepared in-house, with technical assistance being sought on issues that involved implementation of the new standards.

Annual Performance Reporting

The municipality is made up of five departments being:

- The Office of the Municipal Manager
- Corporate Services
- Technical Services
- Community services and
- Financial Services

FUNCTIONAL AREAS

	Overview	Performance Highlights for the Period	Outputs not Achieved	Comments
Office of the Municipal Manager				
This department is comprised of the following sections: <ul style="list-style-type: none">• LED• IDP• PMS/SDBIP• Internal Audit.				
LED		<ul style="list-style-type: none">• Umdoni Agricultural Development Strategy• SMME Study and Growth Strategy• Umdoni Business Retention and Expansion Programme• Umdoni Tourism Development Plan & Marketing Strategy• Alternative Energy (green heat gel).	<ul style="list-style-type: none">• Industrial Development Strategy	<ul style="list-style-type: none">• The plan has been drafted and was submitted to the Auditor General office in June for file audit• 5l gel stoves distributed to 2 000 households

INTERNAL AUDIT		<ul style="list-style-type: none"> Approval of the Annual Audit Plan Reviewed Risk Assessment Plan Audit Committee meeting attendance by External Audit Committee members and Internal Audit Shared Services 		
Department: Corporate Services				
	This department comprises the following sections: <ul style="list-style-type: none"> Communications Human resources Website management and information technology Fleet management 	<ul style="list-style-type: none"> Implementation of the communication strategy Skills development plan Appointment of the web designer Ward Committee Policy 2006/2007 Annual Report 	Fleet Management System	Due to limited budget the purchase of a Fleet Management System was put on hold for the 2007/2008 financial year. An amount of R80 000 has been provided for in the 2008/2009 financial year
Department: Technical Services				
	This department comprises the following sections: <ul style="list-style-type: none"> Waste management Provision of basic infrastructure Implementation of MIG projects Maintenance of Council's facilities Infrastructure and upgrade and maintenance Storm water management Environmental management Town planning Building control Parks and gardens 	<ul style="list-style-type: none"> David Road servitude Seahorse servitude behind Spar Alex Crescent – Umzinto Baker Street, Sezela Syringe Lane, Sezela Bus shelters Phase 1 Humberdale Cemetery 	<ul style="list-style-type: none"> Rehabilitation of Wright Lane and Baker Street, Sezela Ghandinagar storm water – 80% complete 	<ul style="list-style-type: none"> The flood damage delayed the process A number of rural roads have been done as an internal grader was bought.

Department: Community Services				
	<p>This department comprises the following sections:</p> <ul style="list-style-type: none"> • Housing • Community facilities • Protection services • Beaches • Special programmes 	<ul style="list-style-type: none"> • 231 title deeds registered in the names of the beneficiaries • Five houses constructed for special projects • 1 830 houses completed in Ifafa Glebe whilst 36 are partly completed • Purchase of LDV and 1.3 ton vehicles • Rescue equipment • Rescue boat trailers • HIV & Aids Conference and launch of Umdoni Aids Council • Launch of Umdoni Women's Council 	<ul style="list-style-type: none"> • Slums clearance. 61 applications for registrations are pending with attorneys for processing • 77 municipal bonds to be de-registered • AmaHlongwa Rural Housing Project • Malangeni Rural Housing Project • Upgrading of Scottburgh Town Hall 	<ul style="list-style-type: none"> • The process of obtaining the land was delayed due to the project involving three departments and also the acquisition of the land. Construction is expected to commence in the 2008/2009 financial year for AmaHlongwa Housing • The DFA hearing has been set for the 2008/2009 financial year • In eMalangeni the DFA process has been completed, procurement for the appointment of a service provider will commence in the 2008/2009 financial year • In Ifafa Glebe 40 homes were allocated to flood victims • The Scottburgh Town Hall funds will be allocated in the 2008/2009 budget so as to complete the project.
Department: Financial Services				
		<p>The following aspects were reported on in the current year:</p> <ul style="list-style-type: none"> • Training of staff • Accurate monitoring of budget • Enhancing the salary/wage software • Ensuring adequate implementation of Supply Chain Management policy • Implementing MPRA • Providing grant in aid to uplift local Community Based Organisations • Recovering debt 	SAMRAS training	<ul style="list-style-type: none"> • SAMRAS training began in June but it was interrupted by the flood disaster, therefore training will re-commence during the 2008/2009 financial year • A debt collection rate of 101% has been achieved.

The following tables tabulate the goals, challenges and achievements for the 2007/2008 year:

Landfill Site		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Reclaim status as the best landfill site Ensure better compaction and covering of waste Making use of air space Disposal of lechate on landfill site Prevention of uncontrolled runoff of lechate 	<ul style="list-style-type: none"> Lack of compliance by the service provider to certain conditions stipulated in the contract Regular breakdown of machinery Outbreak of fires Poor accessibility of internal road in landfill site Malfunctions of weighbridge Uncontrolled runoff of lechate due to flooding in June 2008 	<ul style="list-style-type: none"> Financial penalties levied against contractor for non-compliance Service Provider installed new machinery on site due to continuous and vigorous pressure and monitoring by officials Fires extinguished within 48 hours Implementation of fire prevention measures Redesign and regular maintenance of internal road Reconfiguration of weighbridge and recalculation of total lifespan of the landfill site.
Refuse Collection and Waste Disposal		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Service rendered to new areas Increased collection in CBD Procure skip truck and skips Procure refuse compactor and bins on wheels Investigate discrepancies in tariffs 	<ul style="list-style-type: none"> Lack of efficient functional vehicles Inefficient funds to sustain staff and vehicles Lack of public awareness 	<ul style="list-style-type: none"> Services now rendered in rural Malangen and all community facilities in Umdoni Acquired skip truck and 22 skips Acquired 100 bins on wheels Increased collection in CBDs Irregularities in refuse tariffs rectified and immediately implemented.
Street Sweeping		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Regular cleaning of streets after hours Increase staff complement Develop programme for street sweeping Implement public awareness programmes 	<ul style="list-style-type: none"> Lack of public awareness Lack of localised refuse collection point Many staff in this section suffer from chronic illnesses and are not capable of being productive to desired standards Staff with chronic illnesses lack of resources 	<ul style="list-style-type: none"> Implemented after hours cleaning programme Two shift operation introduced Cleaner CBD – more apparent visually.
Parks and Gardens		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Outsource verge maintenance in certain areas Large areas are to be broken down into more smaller areas to facilitate maintenance of the areas and supervision Remove old and decaying trees Increase tree trimming operations Schedule maintenance of Council-owned properties 	<ul style="list-style-type: none"> Inclement weather Lack of human and mechanical resources 	<ul style="list-style-type: none"> Outsourced verge maintenance in Umzinto, Pennington, Mtwalume and Ifafa Cleaner and more aesthetically pleasing environment.

Roads		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Acquire Council-owned quarry Acquire new plant and machinery Application for additional grant funding Blacktop Sandalwood Road, Shayamoya Road, St Patrick Road in Umzinto Construct and tar Baker Street in Sezela Re-sealing of blacktopped roads in Umdoni 	<ul style="list-style-type: none"> Some existing roads are nearing the end of their lifespan Poor design of existing roads Dramatic increase in traffic volumes High water table Articulated vehicles damaging roads Stormwater drainage Unauthorised works by other parastatals Aged plant and equipment Budgetary constraints Maintenance of extensive road network with limited resources Location of quarry (excessive travelling) Erratic weather patterns disrupting normal works programmes Grading of urban gravel roads 	<ul style="list-style-type: none"> Investigation into Council-owned quarry being completed – not economically viable Took delivery of two graders Completed tarring (blacktopping) of Sandalwood Road, Shayamoya Road and St Patrick Road in Umzinto Due to damaged caused by flooding in June 2008, work is still in progress on Baker Street, Sezela Wright Lane, Park Rynie – work commenced and stopped due to delays in registration of servitudes Blacktopped roads were re-sealed in Pennington, Ifafa, Mtwalume and Scottburgh Upgrade of Ghandinagar stormwater drainage system Gravel roads graded quarterly.
Rural Roads		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> To construct access roads in rural areas: Amandawe, Malangeni Kwa-Cele and Amahlongwa 	<ul style="list-style-type: none"> Extensive road networks Lack of stormwater drains Lack of stormwater disposable sites Silt blockage in stormwater drains after storms Rapid growth in rural areas requiring established road networks Maintenance of Provincial roads on a regular basis Grading of rural roads after rains 	<ul style="list-style-type: none"> Approximately 100 km rural roads were gravelled Approximately 250 km of gravel rural roads were graded.
Stormwater		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Conduct need and desirability assessment for the establishment of stormwater management plan Restrict movement of heavy vehicles in CBD 	<ul style="list-style-type: none"> Non-existent stormwater network Lack of resources to maintain stormwater drainage systems Outdated stormwater designs Additional development impacting on existing stormwater drainage 	<ul style="list-style-type: none"> Stormwater drainage systems were constructed in David Road, behind the 'Spar' in Scott Street, and from Caroline Lane to Arbuthnot Street in Scottburgh Stormwater drainage systems were constructed in Alex Crescent, Umzinto, and in Baker Street and Syringa Lane, Sezela.
Pavements		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Installation of bollards To pave the road adjacent to the Umzinto Secondary School 	<ul style="list-style-type: none"> Damage caused by heavy duty vehicles Lack of planning Informal traders using pavements Pavements need to be widened Illegal encroachments onto pavements Pavements used for parking 	<ul style="list-style-type: none"> Paved walkway in Williamson Street Paving the verge in front of Umzinto Secondary School.

Town Planning		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> To obtain the approval of Consolidated Planning Scheme To ensure compliance with Town Planning Scheme throughout Umdoni area To conduct regular inspections Finalisation of urban and rural LUMS To update database maps for rezoning, subdivision and consolidations To get the landowners to agree to release land for the corridor development 	<ul style="list-style-type: none"> Operating with three different schemes Lack of resources available Some applications require Provincial approval, therefore causing delays Currently using old maps – last updated more than five years ago Unavailability of landowners for discussions on the corridor development Applicants are not following proper procedure when submitting applications Submissions are not as per requirements and some submissions are incomplete Large amount of work is outsourced to consultants Businesses being operated from residential areas Illegal second dwellings Street numbering Town planning of the area is outdated Getting people with existing irregularities to comply Insufficient industrial sites No controls for public buildings within the Town Planning Scheme 	<ul style="list-style-type: none"> Obtained approval of Consolidated Town Planning Scheme in September 2008 Successfully inspected the areas of Park Rynie and Asoka Heights Public awareness programme – Planning and Development Workshop was presented Closing down of illegal businesses Approximately 10% compliance has been achieved.
Environmental		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Source funding for an Environmental Management System Reduce complaints regarding overgrown vegetation on properties Create public awareness of environmental legislation and environmental management best practice principles Implement a system of environmental review of all building land development and town planning applications Ensure all new developments are in accordance with environmental legislation Promote the protection and conservation of environmentally sensitive areas Rehabilitate areas of the Admiralty Reserve that have been illegally disturbed 	<ul style="list-style-type: none"> Lack of Environmental Management tools including GIS data and environmental management system/plan Functions of environmental health undertaken by environmental management section Lack of human resources Lack of understanding amongst stakeholders of environmental legislation Insufficient monitoring and compliance enforcement Lack of support from Provincial and National Departments Budgetary constraints Inadequate by-laws Persistent non-compliance of Environmental Legislation by the public Limited capacity within the Department to deal with the high number of applications and complaints 	<ul style="list-style-type: none"> Environmental education material on waste and environmental management distributed to 10 schools and three libraries 105 building applications were reviewed and specific environmental requirements were required for 36 applications Provided comment and represented the Municipality at five Tribunal Hearings undertaken in accordance with the Development Facilitation Act 32 sub-division applications were reviewed and commented on 24 rezoning applications were reviewed and commented on eight Basic Assessment/EIA applications were reviewed and commented on Four Special Consent applications were reviewed and commented on.

<ul style="list-style-type: none"> • Encourage better waste management practices • Investigate illegal dumping and discharges into watercourses and enforce rehabilitation measures thereof • Facilitate the removal of alien plants and trees • Implement a development levy to generate funds for environmental conservation and rehabilitation 	<ul style="list-style-type: none"> • To continuously promote the sustainable use of resources for the benefit of future generations 	<ul style="list-style-type: none"> • 393 notices were issued to owners of properties with overgrown vegetation. All properties were subsequently cleared of which 89 properties were cleared by the Municipality following the owners' non-adherence to the directive • The removal of approximately 1 200 alien plants and trees was facilitated • Successfully enforced the rehabilitation of 19 polluted or environmentally damaged properties • 140 indigenous trees were planted following enforcement measures undertaken for illegally felled trees • Facilitated the acquiring and planting of approximately 150 trees at schools and public open spaces • Indigenous landscaping project was undertaken at the Scottburgh Municipal offices • Researched and facilitated the implementation of a tariff/development levy that will significantly increase the funds available for environmental conservation and rehabilitation • Extensively involved in the project management of the Tidal Surge rehabilitation project which is to date the single largest Capital project undertaken by the Municipality • Intensively involved in the relief work following the June 2008 floods as well as the compilation of the flood disaster report and associated framework of cost • The environmental officer undertook a Law Enforcement Course and has been successfully appointed as a Peace Officer.
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Capital and Municipal Infrastructure Grant Projects		
Goals	Challenges	Achievements
<ul style="list-style-type: none"> Upgrade of Umzinto Sportsfield 	<ul style="list-style-type: none"> The contractor was an emerging contractor Insufficient funds Contractor absconded project 	<ul style="list-style-type: none"> The sportsfield is 80% complete
<ul style="list-style-type: none"> Establish new sportsfield for Malangeneni 	<ul style="list-style-type: none"> The field was damaged by the recent torrential rains during final stages of project completion 	<ul style="list-style-type: none"> The sportsfield is 50% complete
<ul style="list-style-type: none"> Build a library for the Malangeneni community 	<ul style="list-style-type: none"> Eviction of informal settlers from site Security 	<ul style="list-style-type: none"> The planning process was completed within the financial year
<ul style="list-style-type: none"> Humberdale Cemetery 	<ul style="list-style-type: none"> EIA approval Insufficient funding Geo-technical investigation Negotiation for acquisition and transfer of land Act 70 of 1970 requires that consent must be obtained from the Minister of Agriculture (or the representative) for subdivision of agricultural land 	<ul style="list-style-type: none"> Acquired land Grant funding to the amount of R5 854 from Municipal Infrastructure Grant was secured Preparation of the plans
<ul style="list-style-type: none"> The erection of bus shelters in various wards 	<ul style="list-style-type: none"> The identification of suitable sites Torrential rains Delay in delivery of pre-cast shelters 	<ul style="list-style-type: none"> All the platforms and glide-offs were completed
<ul style="list-style-type: none"> Ghandinagar Sportsfield 	<ul style="list-style-type: none"> Identification of a suitable site Stormwater drainage Access to the site 	<ul style="list-style-type: none"> Funding was secured to the amount of R1.9 million Preparation of working drawings and tender documents complete Advertising and calling for tenders
<ul style="list-style-type: none"> Amandawe Sportsfield 	<ul style="list-style-type: none"> Identification of suitable site Grant funding Procuring the site 	<ul style="list-style-type: none"> Site was procured
<ul style="list-style-type: none"> Amahlongwa (Olwasini) Sportsfield 	<ul style="list-style-type: none"> Grant funding 	<ul style="list-style-type: none"> Site has been identified Plans have been approved
<ul style="list-style-type: none"> To provide a dining hall for the Umzinto Town Hall 		<ul style="list-style-type: none"> Commencement of construction of the hall. To be completed by December 2008
<ul style="list-style-type: none"> External renovations to Riverside Park Umzinto 	<ul style="list-style-type: none"> Public participation Contractor absconded Damage occurring soon after renovations Flood damage 	<ul style="list-style-type: none"> Project is 95% complete
<ul style="list-style-type: none"> Disaster Management Centre in Umzinto 	<ul style="list-style-type: none"> Incorrect geo-technical investigation and report Geo-hydrological challenges Increases in steel prices Increases in building costs Securing funding 	<ul style="list-style-type: none"> Secured funding from MIG to the amount of approximately R5 million Appointment of contractor in March 2008 Commencement of building works in April 2008
<ul style="list-style-type: none"> Provision of five houses for five destitute families 	<ul style="list-style-type: none"> Siting Access Contractor absconded Lack of qualified supervision 	<ul style="list-style-type: none"> Five houses were completed, surpassing the minimum building requirements that were required for each house.

Housing Projects		
Goals	Challenges	Achievements
Ifafa Glebe Housing Project in Malangeni		
<ul style="list-style-type: none"> Complete construction of allotted houses 	<ul style="list-style-type: none"> Vandalism and theft of building materials Completion certificate not received from Ugu District Municipality for toilets. This is delaying the opening of Township register in Deeds Office to transfer property into beneficiaries' names The June floods put undue pressure as some 40 houses were made available on a temporary basis to flood victims 	<ul style="list-style-type: none"> Of the target of 1 981 houses 1 830 have been built to date 36 houses have been partially completed
Malangeni Rural Housing Project		
<ul style="list-style-type: none"> Process all relevant documentation and make application to DFA (Development Facilitation Act) Tribunal for approval of project 	<ul style="list-style-type: none"> Dwellings that are in flood plains under high voltage power lines and road reserves have to be relocated 	<ul style="list-style-type: none"> DFA Tribunal held hearing on 22 February 2008 and subsequently approved Project Council's Supply Chain Management Policy is being adhered to in the appointment of a service provider
Amahlongwa Mission Reserve Rural Housing Project		
<ul style="list-style-type: none"> Obtain subsidy approval from Department of Housing (DOH) Submit all relevant documentation to DFA Tribunal for DFA Hearing 	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Subsidy application for 1000 beneficiaries approved DFA hearing dates obtained: Pre-hearing meeting: 29 September 2008 Site Inspection: 3 November 2008 DFA Hearing: 4 November 2008
Umzinto Slums Clearance – Farm Isonti Project		
<ul style="list-style-type: none"> Commence negotiations to acquire development land Obtain project approval from DOH Convene government stakeholders meeting to fast track project 	<ul style="list-style-type: none"> Land owners reluctant to sell sugar cane land for housing The time frame has to be shortened and managed to meet deadline. Families in informal settlements are living in dire conditions 	<ul style="list-style-type: none"> MEC for Local Government, Housing and Traditional Affairs has approved the project and approved subsidised funding to the amount of R118 million Land acquisition negotiations are in progress Regular Government Stakeholders meetings are being held to ensure that the project is fast tracked
Enhanced Extended Discount Scheme [Eedbs]		
<ul style="list-style-type: none"> To transfer all housing stock in the Gandhinagar Township from the Municipality to names of beneficiaries 	<ul style="list-style-type: none"> 341 occupiers have not taken advantage of the EEDBS. They will be given a deadline to comply with 	<ul style="list-style-type: none"> 231 Title Deeds have been registered in the names of beneficiaries. 68 applications for transfers are being processed by attorneys
Special Housing For Destitute Families		
<ul style="list-style-type: none"> Build six houses for destitute families which were identified during World Aids Day 	<ul style="list-style-type: none"> An emerging contractor was used for the construction which resulted in delays and defective workmanship 	<ul style="list-style-type: none"> Five houses were built and handed over to beneficiaries Land has been purchased for the sixth house and a service provider is to be appointed in August 2008.

Temporary Emergency Housing		
<ul style="list-style-type: none"> Identify land for the construction of 700 temporary houses to re-house victims of the June 2008 floods who resided in informal settlements and rural areas 	<ul style="list-style-type: none"> Due to the urgency of the need for temporary housing we had time constraints to contend with in identifying suitable land for temporary housing 	<ul style="list-style-type: none"> MEC for Local Government, Housing and Traditional Affairs made a public statement that his department is committed to providing temporary housing. The Department of Housing had undertaken to appoint a service provider to construct the temporary houses. A draft schedule of land identified for temporary housing was made available.
Slums Control and Re-emergence of Slums		
<ul style="list-style-type: none"> Develop a policy on slums control and the prevention of the re-emergence of slums 	<ul style="list-style-type: none"> The challenges are anticipated in the implementation phase in 2008/2009 	<ul style="list-style-type: none"> Policy was workshopped and approved by Council.
Damage to Government Housing Stock by June Floods		
<ul style="list-style-type: none"> Find temporary shelter and relocate affected families from River Side Park Commission Engineers and NHBRC to evaluate and advise on structural damage, stability and safety of affected buildings in River Side Park and Gandhinagar Township 	<ul style="list-style-type: none"> Immediate relief was to accommodate affected families in town halls whilst negotiations were taking place and search was undertaken for 'vacant' flats 	<ul style="list-style-type: none"> All affected families were re-housed Inspection was carried out by engineers and a report is imminent.

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Measurement (Monthly, Quarterly, Bi-annually, Annually)
NKPA LOCAL ECONOMIC DEVELOPMENT				
1.1 Database of the Umdoni Municipality Tourism	Develop and adopt a tourism plan	Manager Development	Adopted tourism plan	Annually
	Compiling an Umdoni database		Completed database	Annually
1.2 Marketing Plan	Source funding from Ugu District Municipality	Manager Development	Available funding	Annually
	Invite tenders for developing a marketing plan		Advertisement on the newspapers	Annually
	Finalise the adjudication process		Appointed service provider	Annually
	Development of the Marketing Plan - monitoring of the project		Progress reports from service provider as per contract	Annually
1.3 Inundate website with marketing info	Liaising with the IT section	Manager Development	Update info on the website	Quarterly

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Measurement (Monthly, Quarterly, Bi-annually, Annually)
Provide tourism signage within the Umdoni Municipal area	Liaise with Community Service Department	Manager Development	Correspondence to the department	Quarterly
	Invite tenders for putting up signage		Advertisement in the newspapers	Annually
	Finalise the adjudication process		Appointed service provider	Annually
	Install signage		Installed signage	Annually
Identification of tourist products	Liaising with the different stake-holders i.e. traditional leaders, tourism bodies	Manager Development	Tourist products	
	Source funding for study to identify rural tourists products		Available funding	
Communal garden upgrade	Sensitise the community about registering as cooperatives	Manager Development	Updated communal gardens database	Annually
	Assist communal gardens with registration as cooperatives		Communal gardens	Annually
	Assist with the development of business plans for communal gardens		Business plans submitted to funders	Annually
Workshops on the Supply Chain Policy	Development of the SMMEs database	Manager Development	SMME database	Annually
	Identifying service providers who assist with filling in tender documents		Identified service providers	Annually
ORGANISATIONAL PMS				
1.1 Sign performance agreements	Develop performance agreements for all Section 57 managers for their signature	Senior Manager Strategy	All managers signed performance agreements	Annually
1.2 Quarterly performance reviews for Section 57 managers	Set the dates for quarterly performance for Section 57 quarterly performance reviews and adoption by Council		Dates adopted by Council	Annually
	Quarterly review of Section 57 using the SDBIPs			
1.2 Quarterly performance reviews for Section 57 managers	Update the website with Municipality performance results	Senior Manager Strategy	Quarterly done and signed-off - SDBIPs updated on the tool website reflecting update performance standing of Umdoni Municipality	Quarterly
				Quarterly
	Quarterly performance report		Quarterly performance report submitted to the relevant stakeholders	Quarterly
Review of OPMS	Set key performance indicators		Draft reviewed OPMS	Annually
	Workshop the OPMS to both Cllrs and officials		Attendance register	Annually
			Adopted OPMS document	Annually
	Present to Council for adoption		Inclusion into the Council agenda	Annually

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Measurement (Monthly, Quarterly, Bi-annually, Annually)
Reviewed 09/10 IDP	Advertise for commencement of the process	Senior Manager Strategy	Newspaper advert	Annually
	Draft and adopt process plan		Adopted process plan	Annually
	First draft noted by Council		First draft	Annually
	Submit draft to province for assessment		Correspondence to DLGTA	Annually
	IDP road-shows		Attendance register	Annually
	Advertise for 21-day public comments		Newspaper advert	Annually
	Present to Council for adoption		Reviewed IDP adopted	Annually
Beachfront development	Develop expression of interest and development packages	Senior Manager Strategy	Newspaper advertisement and reports	Monthly
	Explore PPP for investment		Correspondence	Annually
	Source funding for implementation		Correspondence	Annually
Umzinto – Urban renewal implementation of Urban Renewal Project	Implement plan	Senior Manager Strategy	Attendance register; correspon- dence - invitation	Quarterly
	Project Steering Committee			
	Request funding		Correspondence	Annually
INTERNAL AUDIT				
1.1 Conduct the actual audit	Develop risk assessment (reviewed) and an Audit Plan 08-09 for approval by the Audit Committee and adoption by Council	Manager: Internal Audit	Risk Assessment Register/Report	Annually
	Roll-out the approved Annual Audit Plan		Approved Annual Audit Plan	Quarterly
	Report to the Audit Committee and Council			
1.2 Actual setting up of call centre with the aid of DLGTA and Corporate Services	Source funding from DLGTA	Manager: Internal Audit	Available funding	Annually
	Strategy to establish the Call Centre	Manager: Internal Audit	Functional Call Center at UMdoni	Annually
Formulating the Fraud Prevention Policy/Plan DLGTA and the District Municipality	Prepare Fraud Prevention Policy	Manager: Internal Audit	Draft Fraud Prevention Plan/ Policy	Annually
	Adoption of the Fraud Prevention Policy		Adopted Fraud Prevention Plan/ Policy	Annually
Formulating the Risk Strategy/ Plan DLGTA and the District Municipality	Prepare Risk Strategy/Plan	Manager: Internal Audit	Draft Risk Strategy/ Plan	Annually
	Adopt the Risk Strategy/Plan		Adopted Risk Strategy/plan	Annually
	Establish the Risk Management Committee		Functional Risk Management Committee	Annually

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Measurement (Monthly, Quarterly, Bi-annually, Annually)
Ensures monitoring of the formulation of the Policies & Procedures (may incorporate DLGTA and the District Municipality and Public)	Monitor the development of the policies and procedures	Manager: Internal Audit	Adopted policies and procedures	Annually
	Monitor compliance with policies and procedures		Internal Audit Report	Quarterly
Co-ordinate and conduct an Internal Audit workshop for Councillors and officials for relevant role players i.e. NT, PT, DLGTA, A-G, DISTRICT & IIASA	Conduct Internal Audit Workshop	Manager: Internal Audit	Empowered Councillors and staff	Annually
Internship together with a structured training Programme for relevant role-players ie. NT, PT, DLGTA, A-G & IIAS	Source funding from DLGTA	Manager: Internal Audit	Available funding	Annually
	Recruit interns/technician/trainees		Appointed interns	Annually

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION, GOVERNANCE AND DEMOCRACY				
1.1 Employee training and development	Training needs analysis	Training and Skills Development Facilitator	Work place skills plan	Annual
	Training programme		Approved training programme	Annual
	Commence training		No. of trainings conducted and attendance register	Quarterly
Intergovernmental MOU's - IGR	Meet with the strategic departments to develop terms of reference	Human Resources Officer	Minutes of the meetings	Annual
	Sign Memorandum of Understanding		Signed two MOUs	Annual
LGSETA & NQF Accredited Course Schedules/Training Plan (Councillors)	Develop the Councillors training plan	Training and Skills Development Facilitator	Approved Councillors' training programme	Annual
	Commence training		No. of trainings conducted and attendance register	
Website redesign	Redesign website	Website Designer/ IT Support	Website launch	Annual
Customer care online surveys	Develop and approve customer care online survey forms		Customer care online survey analysis report	Bi-annual

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
Switchboard and telephone upgrade including Direct Inward Dialing	Order the PRI	IT Support	PRI interface for switchboard	Annual
	Install PRI from telkom		Installed PRI by Telkom and PRI by Leaf Technologies	Annual
Bulk sms	Sign a contract with Vodacom or MTN for bulk sms		Signed contract with either Vodacom or MTN	Annual
	Load the bulk sms software on reception PC		Functional bulk sms facility	Ongoing
Mayoral Izimbizo	Council resolution - approve schedule of Izimbizo	Communications Officer	Council resolution	Annual
	Press releases		Press release	Annual
	Mayoral Izimbizo		Mayoral Izimbizo	Annual
IDP and Budget Roadshows	Council Resolution - approve schedule of IDP and Budget Roadshows	Communications Officer and Budget and Compliance Section	Council resolution	Annual
	Press releases		Press release	Annual
	IDP and Budget Roadshows		IDP and Budget Roadshows	Annual
Frequent news articles on council plans	Develop the Newsletter	Communications Officer and Budget and Compliance Section	One newsletter published per quarter	Quarterly
Effective administration of Ward Committee	Appoint the Ward Committee Secretariat	General Manager - Corporate Services	Appointed nine WCS	Bi-annually

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
INFRASTRUCTURE & SERVICE DELIVERY				
1.1 Audit programmes - undertaking audits of the landfill sites	Determine audit criteria	Manager: Environmental	Audit Standards Report	Annually
	Undertake site inspection		Site inspection register	Monthly
			Site Inspection report	Monthly
	Review relevant site documents and permits		Draft Inspection report	Annually
	Serve notices for non-compliance		Number of notices issued	Quarterly
	Rectify any non-conforming activities		Percentage of compliance	Quarterly
1.2 Implementation of tariff of charges for landfill 1.3 Leachate disposal programme	Implement tariffs of charges	Manager: Environmental	Difference of revenue received from 2008-2009	Monthly
	Appoint a service provider through SCM	Manager: Environmental	Appointment letter	Annually
	Design the Leachate disposal system		Approved designed drawing	Annually
	Procure Leachate equipment		Available Leachate equipment	Annually
	Maintain the Leachate disposal system		Fully functional Leachate disposal system	Quarterly
1.4 Surveys of airspace and compaction programme	Appoint a service provider through SCM	Manager: Environmental	Appointment letter	Annually
	Undertake survey		Survey diagram	Bi-annually
	Determine airspace and projections		Schedule of the airspace remaining	Bi-annually
	Monitor remaining airspace		Report on remaining airspace	Bi-annually
1.5 Public awareness programme on waste management	Undertake workshops and meet with schools	Manager: Environmental	Two workshops conducted in one year	Quarterly
	Obtain and distribute information brochures		Three distributions of information brochures in one year	Quarterly
1.6 Recruitment programme	Monitor the recruitment process in terms of the approved organogram	Manager: Environmental	Appointed competent staff	Annually
1.7 Implementation of new tariff of charges	Ensure compliance with the tariffs of charges	Manager: Environmental	Tariffs implemented according to the approved tariffs of charges	Ongoing
1.8 Recycling programme	Identify strategic collection points Umdoni	Manager: Environmental	Available vicinities	once of
	Establish collection point in Umdoni		Establishment of recycling depot	once of
1.9 Implementation of shift programmes to clean streets during off peak periods	Develop the shift programme	Assistant Manager: Refuse	Approved shift programme by GM Technical Services	Annually
	Implement the shift programme		Implemented shift programme by 1 Sept 2008	Monthly
	Monitor the effectiveness of the programme		Monthly management report on the effectiveness of the programme	Monthly
1.10 Monitor SETA training programme	Ensure that staff are trained specifically for the job	Manager: Maintenance	Trained staff	Annually

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
1.12 Bill Province and district for roads being maintained on their behalf: Service Agreement	Hold a meeting with DOT	General Manager: TS	Engage in discussions with DOT	Annually
			Draft service level agreement	
			Signed service level agreement with DOT	
1.15 Appoint service provider and carry out surveys of all roads that require repairs	Procure service providers according to SCM policies	General Manager: TS	Appointment letter	Annually
	Commence with the survey		Signed agreement with the service provider	Annually
	Monitor the project		Survey underway	Quarterly
			Monthly progress reports	Monthly
1.13. Spraying to eradicate creeping grass onto roads: Spraying schedule	Procure roundup for spraying	Manager: Maintenance	Available spraying material	Annually
	Commence with spraying all affected areas		Project commenced	Ongoing
	Monitor the project		Monthly progress report	Ongoing
1.14. Seasonal programme	Develop the programme	Manager: Maintenance	Adopted programme by TS	
	Implement the programme		Implemented programme	Ongoing
	Monitor the programme		Monthly progress reports	Monthly
	Report the programme		Project report	Quarterly
1.15. Remove old, alien and decaying trees and maintenance programme thereafter	Develop the programme	Manager: Environmental /Maintenance	Adopted programme by TS	Ongoing
	Implement the programme		Implemented programme	Ongoing
	Monitor the programme		Monthly progress reports	Monthly
	Report the programme		Project report	Quarterly
1.16. Implement tree planting programme	Assist schools in terms of tree planting	Managers: Depots/ Environmental	Number of schools assisted with trees	Quarterly
	Seek donors for trees		List of donors	Ongoing
	Identify potential areas for planting of trees		List of identified potential areas to plant trees	
	Provide trees to schools and interested persons		All schools provided with trees	Ongoing
	Plant the trees		Minimum of five trees planted per month	Monthly
	Monitor and maintain the trees		Monthly reports	Monthly
1.17. Schedule all cutting and maintenance of all Council properties: Scheduled programme	Identify all council property	Managers: Depots/ Environmental	List of Council properties	Annually
	Prepare a cutting programme		Adopted programme	Annually
	Implement the programme		Implemented programme	Ongoing
	Monitor the implementation of the programme		Monthly project reports	Monthly

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
1.18. Construction of new office block	Geotechnical investigation	Project Manager	Geotechnical report	Annually
	Prepare building plans		Approved building plans	Annually
	Prepare a bill of quantities for tender		Approved bill of quantities	Annually
	Appoint contractor in terms of SCM policies		Appointment letter	Annually
			Contractor agreement	Annually
	Commence construction		Site handover	Annually
	Project management		Fourth-nightly project progress reports	Monthly
	Complete construction		Occupation of the building	Annually
1.19. Constant enforcement of the National Building Regulations and Building Standards Act (103 of 1977); Town Planning Ordinance; scheme clauses and by-laws	Develop a programme for building inspections	Senior Building Inspector	Adopted programme in terms of submissions (to be done weekly)	Monthly
	Commence inspections		Inspections underway	Ongoing
	Issue notices for irregularities		Number of notices issued	Ongoing
	Monitor and report to subcommittees		Monthly reports to subcommittees	Monthly
1.20. Implementation of capacity building workshops/ programmes for staff by November 2008	Conduct regular staff workshops	Senior Building Inspector	One staff workshop conducted per month	Monthly
	Report on the workshops conducted		Workshop report	Annually
1.21. Training of Building Inspectors to become Peace Officers: Constant enforcement of the National Building Regulations and Building Standards Act (103 of 1977); Town Planning Ordinance; scheme clauses and by-Laws	Train all building inspectors by relevant authority	Senior Building Inspector	All building inspectors appointed as Peace Officers	Annually

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
1.22. Increase rate of plan approvals: Constant enforcement of the National Building Regulations and Building Standards Act (103 of 1977); Town Planning Ordinance; scheme clauses and by-laws	Recruit Plans Examiner	Senior Building Inspector	Appointed Plan Examiner	Annually
	Prepare a checklist for plan approvals		Completed checklist	Annually
	Workshop draughtsman and architects on requirements for plan approvals		Attendance register	Annually
1.23. Identify and rehabilitate relevant suitable areas: To create parks and improve public open spaces and nature reserves	Assess existing parks	Environmental Manager	Identified parks requiring rehabilitation	Annually
	Prepare a programme to rehabilitate		Adopted programme	Annually
	Commence rehabilitation		Rehabilitation underway	Ongoing
	Monitor and report		Monthly rehabilitation progress reports	Monthly
Promulgate By-laws for plot clearing: Implementation of stricter by-laws	Prepare by-laws	Environmental Manager	Approval by Council	
	Advertise by-laws for objections		By-laws available in newspapers	
	Promulgate by-laws		Promulgated by-laws	
1.24. Have one consolidated scheme	Approve town planning commission	Town Planner	Approval by Planning Commission	Annually
	Submit to Council for adoption		Council resolution	Annually
1.25. Additional staff	Monitor the recruitment process of TP staff	Town Planner	Two appointed TP staff	Annually
1.26. Ensure that all applications are circulated to relevant departments for comments	Develop a checklist for town planning submissions	Town Planner	Completed checklist	Annually
	Workshop draughtsman and architects on the town planning checklist		Attendance register	Annually
	Monitor the circulation and comment of the town planning applications		Record of circulation and comments from various departments	Ongoing
1.27. Commercial and industrial sites to be identified	Conduct inspections of potential commercial and industrial sites	Town Planner	Inspection report	
	Rezone properties as commercial and business sites		List of rezoned properties	
1.28. Schedule inspections to be conducted on a regular basis	Develop a schedule for inspections	Town Planner	Completed schedule of inspections	Annually
	Implement and monitor enforcement		Monthly progress reports on the inspections conducted	

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Manager Responsible	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
NKPA INFRASTRUCTURE AND BASIC SERVICES				
Malangeni Library	Identify a site	Library Co-ordinator	Available site	Annual
1.1. Planning	Sales and administration - 150 beneficiaries	Housing Manager	150 beneficiaries registered - DOH database	
	PTO from Induna for each beneficiary		PTO available for each beneficiary	
	Submit the beneficiary list to the Department of Housing for approval		Approval from housing	
	Submit the application to DOH for project linked subsidy - 850		Tripartite agreements - Malangeni project	
	Obtain District Council approval for installation of VIP toilets for each unit		Approval from the district for VIP toilets	
	Appoint a contractor in terms of the SCM policy for built houses		Appointment letter and signed SLA	
	Commence building of houses - Malangeni project (850 Houses)			
1.2 Malangeni Rural Housing - 850 (150 still plan for)	Prepare submission for DFA approval	Housing Manager	Submission of documents to DFA	
	Obtain planning approval from DFA		Record of decision	
	Submit an application for approval of 1 000 housing subsidies to the DOH		Confirmation of receipt application by DOH	
Amahlongwa/ Amandawe Rural	Prepare submission for DFA approval	Housing Manager	Submission of documents to DFA	Annually
	Obtain planning approval from DFA		Record of decision	Annually
	Submit an application for approval of 2 252 housing subsidies to the DOH		Confirmation of receipt application by DOH	Annually
Farm Isonti/ Umzinto Slums clearance	Prioritise further housing project based on housing sector plan	Head of Department	Council resolution containing a list of projects in order of priority	Annually
	Lodge an application of intended housing projects with DOH		Application letter to the department of Housing	Annually
	Appoint the implementing agent/s		Appointment letters to implementing agents	Annually

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Manager Responsible	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
Land availability audit (for all categories) Prepare Housing Suitability Studies	Identify potential land for housing projects	Head of Department	Report on identified potential land, including details of ownerships	Annually
	Appoint consultants in accordance with DOH guidelines to conduct feasibility studies		Appointment letter to the consultant	Annually
	Conduct a feasibility study for suitability of identified land		Preliminary Geotech report, environmental impact assessment report, bulk service audit around the area	Annually
Prepare and adopt an illegal occupancy eradication strategy	Conduct an audit of information/status quo as per records against actual occupancy	Housing Manager	Audit report with root causes of any illegal occupancy identified	Annually
	Prepare a corrective and preventative strategy of illegal occupancy		Adopted corrective and preventive strategy	Annually
	Implement the strategy		Implemented strategy	Ongoing
	Monitor implementation of strategy		Progress reports on the status quo to every portfolio committee meeting	Ongoing
Prepare a comprehensive waiting list	Arrange all applications received in date order	Housing Manager	Identified and sorted housing applications in date order	Annually
	Prepare a waiting list based on the sequence of the list		Waiting list noted by Council	Annually
Housing consumer education	Facilitate housing consumer education sessions		Three housing consumer education sessions per quarter	Ongoing
			Housing education reports per session	Ongoing
Obtain baseline information and crime prevention plans	Obtain local statistics from SAPS	Senior Superintendent: Protection Services	Statistics presented to the Portfolio committee by end of Aug	
	Prepare plan to complement safety and security agencies		Adopted by the end of the first quarter	Annually
Appoint a service Provider to complete court rolls and receive payments of fines	Prepare a tender document	Senior Superintendent: Protection Services	Completed tender specifications	Annually
	Appointment of service provider in terms of SCM policies		Appointment letter	Annually
			Signed service Level agreement	Ongoing
	Implement project		Implemented project	Annually
	Monitor project		Monthly progress reports	Ongoing

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Manager Responsible	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
Engage the Department of Justice on the processes	Hold a meeting with the local Magistrate's office	Senior Superintendent: Protection services	Minutes of the meetings with resolutions on way forward (one meeting per quarter)	Quarterly
			Minutes submitted to the Portfolio Committee following the meeting with the Magistrate's office	Quarterly
Bus Rank	Identify suitable land	Senior Superintendent: Protection services	Identified land	Annually
	Prioritise as MIG project		Council resolution prioritising land as MIG	Annually
Project Alive: Safety and Disaster Management awareness campaign	Conduct awareness workshops at least once a quarter	Senior Superintendent: Protection services	One awareness workshop conducted per quarter	Quarterly
Project Pride: fire and disaster management trainings	Develop a training module for fire disaster management staff and volunteers	Senior Superintendent: Protection services	Developed training module	Annually
	Implement training module internally		Report showing number of staff trained internally	Quarterly
	Identify accredited fire and disaster management training providers		List of accredited training institutions	Annually
	Identify staff to send for training with external training institutions		Report showing staff of trained staff (externally)	Quarterly
	Maintain a database of trained fire and disaster management staff (internally and externally)		Up-to-date database of trained staff	Ongoing
Implementation of a sound disaster management policy and emergency services	Develop a disaster management plan	Senior Superintendent: Protection services	Adopted DMP	Annually
	Implement the disaster management plan		Monthly management report with activities undertaken in implementing the disaster management plan	Ongoing
Comprehensive audit on the status of current facilities	Prepare a minimum standard requirements of acceptable community facilities	Community Facilities Officer	Adopted minimum standard requirements	Annually
	Prepare a list of current community facilities		List of community facilities	Annually
	Develop audit plan		Approved plan by Portfolio Committee	Annually
	Implement the audit plan		Monthly progress reports	Quarterly

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Manager Responsible	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
Investigate options for sharing AmaHlongwa Sportsfield between the community and the school	Hold meetings between Hluzingqondo High school, Umdoni Municipality and Football Association	Community Facilities Officer	Minutes of the meetings held	Quarterly
			Annual roster adopted by all stakeholders/parties	Annually
	Implement the annual roster		Monthly reports on effective implementation of the roster plan	Monthly
Present the learn to swim programme at target schools	Prepare a concept document for water safety	Manager: Beaches	Approved concept document by GM and MM	Annually
	Identify schools to be targeted.		Approved participating schools by the Portfolio Committee	Annually
	Develop a training manual in consultation with the relevant stakeholders		Approved both the GM and MM	Annually
	Implement the training plan		Monthly management reports on the implementation of the training plan	Quarterly
Planning and implementing five fleamarkets per annum	Prepare a schedule of flea markets	Manager: Beaches	Schedule approved by GM and MM	Annually
	Consult with cooperatives in the rural areas		Records of meetings conducted in the rural areas	Annually
	Develop a database of existing goods that can sell in the flea market		Database presented to Portfolio committee	Ongoing
	Plan market stalls in accordance with the schedule of flea markets products		Allocation list of market stalls	Annually
	Implement the project		Operating market stalls	Ongoing
	Monitor the effectiveness of market stalls		Monthly management reports on the effectiveness of market stalls	Monthly
Engaging senior management and political leadership in lobbying for their buy-in	Develop a status quo report on the current facilities	Manager: Special Programmes	Status quo report with gaps presented to the Portfolio Committee	Annually
	Develop a corrective strategy to bridge the existing gaps		Corrective strategy presented to the Portfolio Committee	
	Included the project in the three-year budget cycle		Budgeted for projects in the three-year cycle	
Comply with the EEP	Present the EEP and the status quo regarding employment equity to the Portfolio Committee	Manager: Special Programmes	Recommendation to Council by the Portfolio Committee regarding the implementation of the EEP	Annually

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Manager Responsible	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
Comply with applicable legislations in regard to accessibility of the municipal facilities	Obtain/develop and provide guidelines in respect of acceptable standards	Manager: Special Programmes	Guidelines approved by Management Committee	Annually
	Monitor compliance with the guidelines		Monthly reports to the Portfolio Committee	Monthly
Comprehensive capacity development programme for disabled contractors developed and implemented	Develop a workshop programme	Manager: Special Programmes	Workshop adopted by Portfolio Committee	Annually
	Implement the workshop programme		Implemented workshop programme	Quarterly
	Monitor compliance with the policies		Monthly status reports to the Portfolio Committee	Quarterly
Establishment of annual sports tournament (Mayor's Cup) to enhance active participation of youth in sports	Establish sports forums/ associations	Manager: Special Programmes	List of forums presented to the Portfolio Committee	Annually
	Develop an annual programme in consultation with the sports forums		Approved sports programme by the Portfolio Committee	Annually
	Implement the annual sports programme		Monthly progress reports to the Portfolio Committee	Monthly
	Monitor implementation		Monthly progress reports to the Portfolio Committee	Monthly
Lobby for establishment and support of Youth Unit for effective implementation	Prepare a motivation for the establishment of the Youth Development Unit	General Manager: Community Services	Approval by MANCO, Potfolio Committee and Council	Annually
	Submit Youth Development Unit resource requirements for the budgeting process		Inclusion of the Youth Development resource requirement in the budget	Annually
	Implement policy		Monthly progress reports	Monthly
Review policies and programmes to create opportunities for increased participation of youth in economic development programmes	Provide input to the procurement unit for consideration during the review of the SCM policies	Manager: Special Programmes	Inputs submitted to Procurement and Portfolio Committee	Annually
	Monitor implementation of the SCM policy in terms of Youth participation in economic development programmes		Monthly report containing statistics from procurement in regard to youth participation in economic development programmes	Monthly

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
NKPA FINANCIAL MANAGEMENT				
Implementation of the asset management plan	Establish current compliance to GAMAP/GRAAP	Manager: Expenditure/ Manager: Budget and Compliance	Situational analysis report	Annually
	Develop implementation strategy		Developed and approved strategy by CFO	Annually
	Update the valuations and decomponatisation of fixed asset register (review the estimates of usefull life and impairment/ residual values of assets)		Updated and balanced asset register	Annually
Review of the Credit Control and Debt Collection Policy	Review the Credit control policy	Manager: Income	Comments raised and submitted to CFO	Annually
	Update the credit control policy		Approved credit control policy by Council	Annually
	Implement the credit control policy		Monthly debt recovery reports	Monthly
Early identification of possible default groups	Monthly monitoring in accordance with debt collection policy	Manager: Income	Monthly debt recovery reports	Monthly
Strict adherence to revised debt policy	Monthly monitoring in accordance with debt collection policy	Manager: Income	Monthly debt recovery reports	Monthly
Ongoing review and adaptation of the SCM policy to meet our requirements	Review of the SCM policy inconjunction with LED strategy	Manager: Expenditure	Approved SCM policy by Council	Annually
	Update the SCM policy		Monthly reports on tenders awarded	Monthly
	Implementation of the SCM policy			
Ongoing monitoring and analysis combined with HOD's financial education and financial reporting	Disseminate and explain performance reports to all HODs	Manager: Budget	Monthly budget reports	Monthly
Study of existing methodologies for customer care and implementation of improvements incorporating best practice guidelines	Conduct a research study of the existing customer care methodologies	Manager: Income	Research report	Annually
	Implement recommendations in the research report		Progress on implementation of the recommendations	Monthly
	Monitor implementation of the recommendations		Register (percentage reduction of customer complaints)	Monthly
Investigate the modules within SAMRAS that are not being utilised	Review SAMRAS on an on-going basis	Chief Financial Officer	New modules investigated	Ongoing
Ensure training of staff on approved modules	Train end-users by SAMRAS		Attendance register (all affected staff trained)	Ongoing

Key Performance Area (extracted from PMS, Critical Strategic Process Column)	Milestones per Operational Key Performance Area	Responsible Manager	Unit of Measurement	Frequency of Target (annual, bi-annual or monthly)
Ongoing review and amendment of monthly reporting processes and reports. Ongoing review of all audit queries and implementation of recommended action	Align monthly reporting towards year-end reporting on an ongoing basis	Chief Financial Officer	Monthly reports	Ongoing
Identification of current areas of improvement and implementation of support mechanisms to maximise revenue	Implement the order to cash Rrecommendations	Manager: Income	Status on implementation of action plan	Quarterly
Discussion and investigations with relevant stakeholders. Implementation of new revenue streams in a sustainable manner	Conduct a study of potential sources of revenue streams within Umdoni Municipality	Chief Financial Officer	Research study report on potential sources on revenue	Annually

Oversight Report in respect of the 2007/2008 Annual Report for Umdoni Municipality

Background to the oversight process

MFMA Circular Number 32, issued by National Treasury on 15 March 2006, provides guidelines on the preparation of an oversight report in respect of a Municipality's annual report and those of its entities. The processes recommended in the said circular, include the following, amongst others:

- The establishment of an Oversight Committee under section 33 and 79 of the Municipal Structures Act, 1998. The said Committee should conduct a detailed analysis and review of the annual report and draft an oversight report to be considered by Council. The Committee should also receive and review representations made by the public and also seek input from other Councillors and Council Portfolio Committees. Upon finalisation, this draft oversight report is then taken to full Council for discussion.
- The Oversight Committee should comprise of only non-executive Councillors and Community Representatives. Municipal Officials cannot be members of the Oversight Committee as this would pose a conflict of interest. Assistance from the Municipality's Audit Committee is also recommended as a major source of independent specialist advice.

Council, at its meeting held on the 30 September 2008, appointed an Oversight Committee comprised as follows:

Three Non-Executive Committee Members:

Clr E.V. Baptie

Clr G.N. Mbambo

Clr P. Naidoo

Two Public Members:

Mr M. Nyadi (Member of Stakeholder Forum - representing government departments);

Mr S. Rangasamy (Umzinto Civic Association)

Audit Committee:

Represented by its Chairperson, Mr Anil Ramnath



The Oversight Committee held meetings on 23 October 2008 and 18 February 2009, and the Minutes of the meetings are attached as ANNEXURE A & B.

Public Consultation

The community and Councillors were invited to submit representations on the report and copies of the draft document were placed for review at all Council Libraries and Umdoni Municipal Offices. The closing date for comment was 13 February 2009

No comments were received.

Other Parties Consulted

The draft Annual Report was forwarded to the Office of the Auditor General and no comments have been received to-date.

The Chairman of the Oversight Committee, Mr Ramnath thanked all stakeholders for producing a compliant, fair and well balanced document. The Chairman and all members of the Oversight Committee were in agreement to recommend to Council the adoption of the Annual Report.

Recommendation

That Council resolves as follows:

- 1) That the Council having fully considered the annual report of the municipality and representations thereon, adopts the oversight report, and
- 2) That Council approves the annual report without reservations.

Extract of minutes of the Council Meeting held in the Council Chambers, Scottburgh on 25 February 2009

Present

Clr M.O. Zama (Speaker)
 Clr N.H. Gumede (Madam Mayor)
 Clr E.V. Baptie
 Clr S. Bhoola
 Clr D. Cele
 Clr S.P. Gambushe
 Clr E.S. Gumede
 Clr R. Meyer
 Clr M. Moodley
 Clr K. Moodley
 Clr G.N. Mbambo
 Clr G.H. Myende
 Clr P. Naidoo
 Clr P.H. Ngcobo
 *Clr M.S. Sulagan (Sworn it at meeting)

Leave of absence

Clr Govindasamy

Apology

Clr M. Govender

Officials

Mr DD Naidoo (MM)
 Mr A. Nunkumar (G.M.F.S.)
 Mrs G. Mavundla (G.M. Corp Ser)
 Mr ES Govender (Acting G.M. Comm Ser)
 Mr S. Chetty (G.M. Tech Services)
 Ms B. Jaca (Snr Manager Development)
 Ms M. Ngubane (Manager L & E)
 Ms L. Harisingh (Manager – Internal Audit)
 Ms S. Zama (Communications Officer)
 Mrs C. Douglas (Committee Officer)
 Mrs S Khan (Committee Clerk)

Oversight report in respect of the 2007/08 Annual Report for Umdoni Municipality

UNANIMOUSLY RESOLVED:

- that the Council having fully considered the 2007/08 annual report of the municipality and representations thereon, adopt the oversight report;
- that Council approves the annual report without reservations;
- that the Chairman, Mr Ramnath, be thanked for his assistance with regards to the Annual Report;
- that it be noted that the Umdoni Municipality is adopting their Annual Report one month earlier than required by legislation.

CERTIFIED A TRUE EXTRACT

MRS G.N. MAVUNDLA

GENERAL MANAGER CORPORATE SERVICES

Annexure A

Minutes of an Oversight Committee Meeting held at Umdoni Municipality, Scottburgh Offices, Council Chambers on 23 October 2008

Present

Mr A Ramnath	Chairperson – Committee Member
Clr P Naidoo	Committee Member
Clr EV Baptie	Committee Member - arrived at 09:45 and left at 10:50
Mr S Rangasamy	Committee Member
Mrs G Mavundla	GM Corporate Services
Mr A Nunkumar	GM Financial Services – present for duration of item
Mr S Chetty	GM Technical Services - arrived at 09:50
Mrs N Harisingh	Manager Internal Audit
Ms B Jaca	Snr Manager Strategic Planning & Development
Mr ES Govender	Snr Superintendent Protection Services –on behalf of GMCS
Mrs C Douglas	Committee Officer
Ms V Dutt	PA Community Services - on behalf of GMCS
Mrs S Khan	Committee Clerk

Apology

Clr GN Mbambo	Committee Member
Mrs A Cele	GM Community Services

1. Welcome/apologies

GM Corporate Services welcomed all to the meeting.

Attendance and apologies for the meeting is recorded above.

2. Nomination of Chairperson

The Oversight Committee was required to elect a chairperson. A view was expressed that the Chairperson should be one that has expertise in the field. It was noted that for the 2006/2007 annual report Mr Ramnath was chairperson of the Oversight Committee.

On the proposal of Mr Rangasamy seconded by Clr P Naidoo; Mr A Ramnath was elected as Chairperson of the Oversight Committee for review of the Umdoni Municipality - 2007/2008 annual report.

Mr Ramnath thereafter accepted position of Chairperson of the Oversight Committee.

Activity Plan	Date
Departmental Annual Reports	15 September 2008
1st Draft Complete	Beginning October
Presentation of 1st Draft of Annual report to the Council	October 2008
Presentation of 1st Draft Annual Report to AG	15 November 2008
Invitations for Public Comment	December 2008/January 2009
Oversight report to Council for Adoption	End February 2009
Printing and Packaging	March 2009
Submission to DLGTA & KZN Legislature	April 2008 Portfolio Committee/SCOPA

3. Annual Report 2007/2008 Activity Plan

The above time frames had been set out by the Office of the Auditor General for the finalisation of the annual report. GM Corporate Services took the Committee through the item and explained period in which deadlines had to be met.

The Committee noted that the purpose of submitting the 1st draft of the annual report to the Auditor General was for perusal only, with emphasis on non financial information however in the year 2010, being a legislative requirement, an opinion would be required from the Auditor General.

The annual report 2007/2008 activity plan was NOTED.

4. Guidelines for Oversight Committee

The purpose of the annual report is:

- a) to provide a record of activities of the Municipality or entity;
- b) to provide a report on performance in service delivery and budget implementation; and
- c) to promote accountability to the local community.

Terms of reference/guidelines for the Oversight Committee were attached as annexure 2 to the agenda. The Chairman requested the Committee to take into consideration guidelines as stipulated in the MFMA, Division of Revenue, Municipal System Act and DORA.

5. Presentation: Draft 2007/2008 Annual Report

Layout and design

The Chairman suggested a fresh change in design of the front cover for the annual report and suggested that the printers be requested to provide a wider selection of choices.

The Chairman also requested that the chapters be re-arranged to comply with the guidelines from National Treasury. He also stressed the importance of proper presentation of the annual report and made various suggested amendments to the layout. The Chairman advised that he had noticed a number of grammatical errors and that these would be forwarded to GM corporate Services to effect the changes.

GM Corporate Services advised that all photographs in the draft report were subjected to change and that once the appointment of the service provider had been finalised by the procurement section, the service provider would be tasked to update the photographs as this formed part of their brief. The Chairman advised that Ugu District Municipality could also be called upon to provide photographs of various of the functions held. GM Corporate would pursue this matter.

All photographs would be captioned and labelled for the final draft.

Chapter 1

The Mayoral and Municipal Managers foreword was discussed. After deliberation it was NOTED that the forewords were an opinion and the Committee need not comment or request amendments thereon.

Chapter 1 to include a map of the area. The staff establishment, operational and governance structure to be in a clear, simple and readable form. GM Corporate Services was requested to ensure that a report of the Oversight Committee be included.

Executive Summary

The Committee recommended that this page should not have a heading and should not be numbered. It should appear at the beginning of the report and include the following:

- 1. Extract from Constitution on core mandate of Municipality
- 2. Vision and Mission
- 3. Relevant extracts from the IDP.

List of acronyms

A list of acronyms to be compiled and inserted at the beginning and end of the report.

Overview of the Municipality

The Chairman suggested that a report on the sardine run be included in the overview report as this is indigenous to the Umdoni area. GM Corporate Services was requested to contact the South Coast Fever which had reported on the event. Clr Baptie left at this stage of the meeting.

Key features of the local economy

Manager Strategic Planning and Development was requested to amend the above report and include the following as key features of the local economy:

- Tourism
- Sugar Cane
- Retirement residential
- Residential
- Commercial and Industrial .

Attendance at Council Meetings

The report on attendance at meetings was discussed and it was requested that the Council meeting held on 19 June 2008 should be included on the attendance schedule even though it was inquorate.

The Committee Officer advised that information is taken from the attendance register and is verified against confirmed minutes of each meeting.

Management team

Information on individual functionalities to be included under management team photographs. Senior Managers reporting to the Municipal Manager would also be included on this page.

Reports from Departments

The Chairman expressed serious concern regarding the poor quality of reports. He requested that HOD's thoroughly review their reports and ensure that the information is current and factual.

Housing issue

Mr Rangasamy raised concern on housing issues and suggested that the current status be reported on. Manager Internal Audit advised that Mr Rangasamy had raised valid concerns however reporting thereon does not fall under the year being reviewed. The Chairman suggested that as reported on at Council, the action plan for housing as at 30 June 2008 be summarised and reported on.

6. Way forward

It was agreed that comments and suggestions of the Oversight Committee would be affected, once complete a second draft would be presented to the Committee before presentation to the Auditor General.

7. Closure

The Chairman closed the meeting at 12:10.

CONFIRMED THIS 18th DAY OF FEBRUARY 2009
CHAIRPERSON



Annexure B

Minutes of the third Oversight Committee Meeting to consider the 2007/2008 Annual Report, held in the Council Chambers, Scottburgh on 18 February 2009

Present

Mr A. Ramnath (Chairman)

Clr E.V. Baptie

Clr G.N. Mbambo

Clr P. Naidoo

Mr M. Nyadi

Mrs G. Mavundla (G.M. Corporate Services)

Mr A Nunkumar (G.M. Financial Services)

Mrs L. Harisingh (Manager – Internal Audit)

Mr V. Govender (For Technical Services)

Mrs C. Douglas (Committee Officer)

Apology

Mr S. Rangasamy

1. Welcome and apologies

The Chairman welcomed all to the 2nd meeting of the Oversight Committee. Apologies had been received from Mr Rangasamy.

2. Confirmation of minutes of the Oversight Committee meeting held on 23 October 2008

The minutes of the oversight committee meeting held on 23 October 2008 were unanimously accepted.

3. Matters arising from above minutes

Committee agreed that the items would be covered whilst going through the draft annual report.

4. Consideration of final draft of the 2007/08 Annual Report

The Committee went through the draft report and the following issues were raised:

- Repetition regarding the floods – it was suggested that, as there is a designated article under chapter 2, that the Manager review the other submissions and remove where possible.

Action: Mrs Mavundla

- Committee expressed the view that a qualitative assessment on the following is required:
 - Qualitative assessment on actual performance to be included in Chapter 5 by the inclusion of percentages. (Note: Chairman undertook to assist GMCS in terms of this);

Action: Buyi Jaka

- Capital budget and what was actually achieved – requires percentages to be included.

Action: GMFS/GMCS

- Qualitative assessment on debt recovery (It was suggested that the GMFS summarize the report on debt recovery that was submitted to the Audit Committee and include this under the treasury section of the annual report which would serve as the qualitative assessment on debt recovery.

Action: GMFS

- Clr Baptie stated that the evaluation of the annual financial statements lacked commitment on positive and negative aspects and areas of concern. The Chairman advised that his report was done in terms of standard reporting and suggested that GMFS include statistical data under the treasury report.

Action: GMFS

- Clr Baptie was of the view that, as staff increased by 22.8% , and linked to the AFS on Pg 45 where property rates is equal to that amount, that the CFO or Municipal Manager should report on how this matter will be addressed in future.

Councillor Naidoo advised that although this is an important aspect, the Annual Report was not the medium in which to address such an issue and was not part of the oversight committee's mandate. He suggested that this issue be discussed in-depth in a strategy document and through the strategic planning sessions.

In view of the discussions above, the GMFS undertook to provide details on salaries expressed as a percentage of internally generated revenue for the current and prior years and would include this report under the treasury section of the annual report.

Action: GMFS

The following cosmetic amendments are to be effected:

- Chapter 1, page 3 – page number to be corrected;
Executive Summary to be included
Key features of the Local Economic Development (which is contained under chapter 2, to be moved to chapter 1).
- Chapter 1 – Page 15 – Printers to regularize the table by including the Councillors initials;
- Chapter 2 – Page 20 – Article on key features to be moved to chapter 1;
- Page 23 – remove the words "the following stories to be told through photographs";
- Chapter 3 (and throughout report) – photographs to be reviewed and amended.
- Page 132 – photograph of landfill site to be included.
- Page 121 – the caption on the photograph to read "P197, Malangeni";
- GMCS was requested to review all the photographs to ensure that there is no duplication and that no photographs from the previous annual report have been used.
- The statement on Page 149 in that the financial statements were prepared in-house should be in bold print.

5. Completion and signing of Annual Report checklist

The Chairman went through the annual report checklist and the following items arising therefrom require action:

(Annexure B)

- {Item 3} – to include a percentage column;

Action: Buyi Jaka

- {Item 5} – GMFS to check to ensure that the annual report contains an assessment of the performance against measurable performance objectives for revenue collection.

Action: GMFS

- {item 6} – the performance report must include the current years performance and targets as well as the prior years, i.e a comparison is required to be included in the report;

Action: Buyi Jaka

- {Item 7} – this is addressed in the comments column on Page 149 but an additional column with a short comment on how the item will be addressed is required to be included;

Action : Buyi Jaca

- {Item 9} – GMFS to include a summary to address the issue of an assessment by the accounting officer on any arrears on municipal taxes and service charges;

Action: GMFS

Annexure D

- {Item b (2)} – GMCS to ensure that the statement by the accounting officer that the salaries, allowances and benefits are in accordance with the framework in s 219 of the constitution is included in the front page of the AFS.

Action: GMCS

- {Item 3} – Disclosure requirements as per Annexure D [total amounts paid for the following and whether amounts were outstanding at year end i.r.o. Audit fees; taxes; levies; duties, pension and medical aid] GMFS was requested to address this issue under the Treasury section.

Action: GMFS

- {Item 5} – summary of investments at year end – GMFS to attend to the summary and include under the treasury report.

Action: GMFS

6. Discussion and way forward regarding Oversight Report

The following was noted:

The draft annual report had been placed in all Municipal libraries and Offices and an advertisement calling for comment on the draft report had been placed. At closing date for submissions no comments had been received.

The draft annual report had been tabled at the Council Meeting held on 28 January 2009 for noting.

The oversight committee suggested that for future years, the draft report be forwarded to Ward Committees for comment.

The Committee agreed that it would not be necessary to hold a further meeting and it was

Unanimously resolved

That the Oversight Committee accept the annual report and recommend adoption to Council subject to the issues raised under (4) and (5) above being complied with.

7. Closure

There being no further business to discuss, the Chairman thanked the officials, in particular Mrs Douglas for the prompt and enthusiastic compilation in preparing the draft reports for the printers. The meeting was closed at 10:45.



CHAIRPERSON